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NEWS SUMMARY

GENERAL

50 die in South Korea clashes

At least 50 people died during the fourth day of clashes between armed civilians and the South Korean military in the southern city of Kwangju.

The declaration of martial law at the weekend prompted the uprising, and a military backlash brought protesting civilians on to the streets.

Miners armed with explosives joined the demonstrators while others raided armouries, commandeered army vehicles and seized personnel carriers. Back

Trudeau call

Quebec voted in a referendum to stay within Canadian confederation, and Premier Trudeau called for early reform of the province's outdated British constitution. Back Page; Feature Page 22

Volcano ash peril

Thousands of motorists and travellers stranded on ash-clogged roads and at airports jammed shelters across Washington State as the death toll from the eruption of Mount St Helens reached 10.

Envoy recalled

Italy recalled its ambassador in Tripoli for talks following the murder in Rome of the fourth Libyan exile in two months. Page 2

Rugby match off

British Lions rugby match with *Zimbabwe next month* was called off to avoid prejudicing the nation's sporting links with the rest of Africa.

Haughey meeting

Irish Premier Charles Haughey agreed with Mrs. Thatcher to hold regular meetings and try to develop closer political co-operation between their Governments. Back Page

China rocket test

China test-fired its second intercontinental rocket in the central Pacific in four days. Communist Party leaders hailed it as a "great success."

Coroner's warning

Coroner at the Blair Peach inquest at Hammersmith spoke of the "incalculable damage" done by a story published the day after Peach died, saying he was killed by the Special Patrol Group.

Jargon campaign

National Consumer Council launched a campaign to make official forms easier to understand. Page 9

Court killings

Screaming gunman burst into the Supreme Court, Melbourne, Australia, killing two men and injuring three others. He was grabbed by police.

Second in a row

Scotsman Kenneth Kerr left St. John's, Newfoundland, on his second attempt to row the Atlantic in a 13-foot boat. Last year, his boat capsized.

Briefly . . .

Prison officer was shot and wounded at his home near Belfast.

Cost of running an average family car rose by 30 per cent last year to £1,997, the AA said.

PUBLISHER'S NOTICE

The Financial Times apologises for errors contained in this issue which are due to difficulties in the reading department.

BUSINESS

Gilts firm; Equities ease

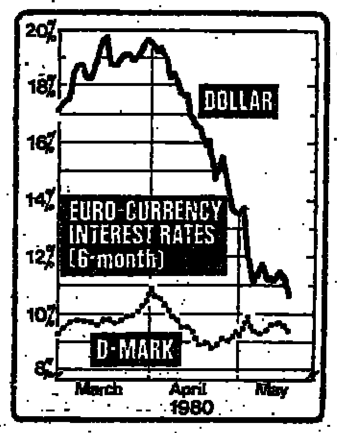
● GILTS were firm on sterling's strength, with gains of up to a half in shorts and longs. The Government Securities index closed 0.16 higher at 67.58. Page 40

● EQUITIES drifted lower, and the FT 30-share index fell 2.0 to 431.6. Page 40

● STERLING rose 4.1c to \$2.3320, its highest since May 1975. Its trade-weighted index was 74.1 (73.3). DOLLAR was weaker on lower U.S. interest rates. It closed at DM 1.7880 (DM 1.8030), and its index was 84.5 (85.4). Page 31

● *GOLD put on \$7 in London* to close at \$514. Page 31

● EURODOLLAR rates have fallen sharply over the past month, with six-month at 10 1/16 per cent against 11¼ per cent on Tuesday and 15 11/16 per cent a



month ago. But Euromark rates have changed little. Six-month were 9 7/16 per cent against 9½ per cent on Tuesday and 9 per cent a month ago. Page 31

● WALL STREET was 2.48 down at 830.03 near the close. Page 33

● NEW BARCLAYS Bank chairman is to be Timothy Bevan on the retirement next spring of Sir Anthony Tuke. Former EMI chairman Sir John Read is to become chairman of the Trustee Savings Banks Page 7

● VENEZUELA raised its oil prices, leaving Nigeria as the only important OPEC-member not to have yet responded to Saudi Arabia's \$2 a barrel rise.

● LATEST NUCLEAR power station in the UK is producing electricity about 14 per cent more cheaply than the latest coal-fired station. Page 7

● BRITISH GAS Corporation has produced figures to show that gas remains the cheapest *fuel in spite of big price rises.* Page 9

● TUC is to review its structure, services and functions, and examine its power relationship with individual unions. Page 10

● METRO-CAMMELL Weymann won the bulk of a London Transport order worth £30m for 500 double-deck buses. Page 8

● COMMERCIAL vehicle registrations in the UK were 9.87 per cent lower in April than in the same month last year. Page 9

COMPANIES

● BOC INTERNATIONAL first-half pre-tax profits fell £1.2m to £31.1m after higher interest charges of £27.3m (£25.6m). Page 24 and Lex, Back Page

● WHITBREAD pre-tax profits for the year were £7.46m up at £61.81m on turnover £78.58m ahead at £738.47m. Page 25

● DUPORT, the steelmaking, engineering and domestic products group, finished the year with pre-tax profits £760,000 ahead at £6.56m. Page 26

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Excheq. 3pc 1984	£72¾	+ ¼
Treas. 14pc '98-01	£98¾	+ ¼
Anderson St'clyde	73	+ 6¼
Carliol Inv.	152	+ 4
Cater Ryder	345	+ 7
Chemring	140	+ 6
Geers Gross	51	+ 3
Gerrard & National	244	+ 6
Howard Tenens	72	+ 6
Low and Bonar	178	+ 5
Old Swan (H'gate)	45	+ 10
Polly Peck	47	+ 6
Prince Wales Hotels	77	+ 3
Tyneside Inv.	147	+ 7
Unilever	418	+ 8
Union Discount	430	+ 15
Berkeley Expln.	193	+ 9
Imp. Cont. Gas	840	+ 24
Siebens (UK)	920	+ 25
Ultramar	352	+ 18
Buffels	£16⅞	+ ⅛
Free State Geduld	£22⅜	+ 1⅛
New Witwatersrand	226	+ 29
President Brand	£17	+ 1

FALLS

Bridon	59	− 7
Carpets Intnl.	21	− 4
Electrocomponents	530	− 7
Fisons	267	− 17
GKN	257	− 7
Heath (C. E.)	196	− 12
Home Charm	102	− 8
Lee Cooper	232	− 16
Minet Hldgs.	96	− 3
Owen Owen	124	− 6
PMA (Hldgs.)	39	− 4
Steel Bros.	155	− 10
Berjuntai	175	− 15
Tronoh	245	− 10

Ministers adamant as union leaders reject pay restraint

BY CHRISTIAN TYLER AND ELINOR GOODMAN

THE Government and the TUC yesterday took up entrenched positions for what threatens to be a difficult winter on the pay front—even at this early stage.

Trade union leaders ruled out co-operation with Government demands for wage restraint. The Prime Minister promised the Government would set an example by refusing to let the public sector set the pace in the next round of wage bargaining.

Ritual remarks from both sides about the value of talking to each other did nothing to disguise the conviction of both the TUC and Ministers that a deal of any kind is most unlikely.

The TUC general council made an offer which the Government can only refuse. A statement from Congress House said the TUC was "not interested" in Government invitations for talks about pay restraint. Inflation, output and unemployment had to be discussed as a whole.

"The only basis for such a serious discussion would be a wide-ranging and agreed agenda, with evidence of genuine intent on the part of the Government."

There was no indication from any of the ministerial speeches at the Conservative Women's conference yesterday, however, that the Government was contemplating anything but the continuation of its present policies. Downing Street poured scorn on the idea that Sir Geoffrey Howe, the Chancellor, had in any way opened up the door for talks with the TUC about the specific issue of pay by remarks he made on Tuesday night.

In her speech to the women's conference Mrs. Thatcher repeated her determination to stick to the course the Government set when it took office a yar ago. Both she and the Chancellor warned that wages in the public sector would have to rise more slowly if inflation was to be brought down and further unemployment avoided. The *Government had a duty to set* an example in the public sector, she said.

The message in all the ministerial speeches at the conference was that th immediate outlook was very tough.

Mr. John Biffen, Chief Secretary at the Treasury, warned of a "protracted winter of discontent.'

He emphasised, however, that the Government had no intention of getting involved in pay negotiations in the nationalised industries. The Conservative Party had learned its lesson with the miners.

Sir Geoffrey made his third plea for wage restraint in three days. If the unions insisted on going for large wage settlements it would "court disaster for jobs in the months ahead."

The need for greater restraint in pay bargaining was inescapable if monetary policy was to work as directly and quickly as it could—without big increases in unemployment — to keep inflation on a downward trend.

Mr. Len Murray, TUC general secretary, did not elaborate on what an agreed agenda would mean, except to mention the TUC's own economic review.

The TUC was determined to press on urgently with its campaign against present economic policies.

"The issues won't go away and the TUC won't go away." The Government was "on a mandate for free collective bargaining," but many Ministers appeared to have lost heart.

Mr. David Basnett, general secretary of the General and Municipal Workers Union and chairman of the TUC economic committee, said talking was no longer enough. The Govern-

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Economic Viewpoint, Page 23

British fish measures likely to be ruled illegal

BY RICHARD MOONEY

THE EUROPEAN Court is expected to rule against Britain over fisheries conservation measures unilaterally imposed by the last Government.

The EEC's senior legal official, the advocate-general, who has been studying the case brought last year by the EEC Commission, has told the court that the measures are illegal under the Treaty of Rome. The court usually follows the advocate-general's advice — but not always.

If the court does find against Britain — no decision is expected for a month at least — the Government would be obliged, on paper, to lift the restrictions which affect three areas of British waters. The commission might then impose similar measures of its own, but British officials fear they would not be as effective.

Another possibility is that the Government might ignore the ruling in the way that France refused to implement the court's ruling that it must accept British lamb exports.

Unilateral conservation measures were introduced by Mr. John Silkin, the Labour Minister of Agriculture, in a bid to protect Britain's fish stocks while a full-scale EEC fisheries policy was worked out. Some met with the commission's approval and were taken into Community law.

Others did not and were referred to the court. They cover fishing in the Mourne area off Northern Ireland, around the Isle of Man and the so-called Norway Pout Box north-west of the Shetlands.

The most important of the advocate-generale's recommendations concerns the Pout Box, where European fishermen, particularly the Danes, used to catch large quantities of Norwegian pout, a small fish *used for making fishmeal for* animal feed. Immature whiting and haddock were accidently caught in large quantities with the pout. Britain banned small-mesh fishing to protect the whiting and haddock stocks.

The advocate-general has told the court this amounted to an illegal extension of fishing limits.

He said Britain broke EEC law in the Mourne case by granting a derogation allowing a small quota to boats under 35ft in length. This effectively discriminated against other EEC countries whose small boats could not safely reach the fishing grounds.

In the Isle of Man case Britain did not inform the commission of the licensing system imposed in 1977/78, failed to obtain approval of a cut in the herring quota and insisted in Irish fishermen landing their catches at the Isle of Man, breaking EEC rules on the free movement of goods, he said.

In London the Ministry of *Agriculture said it had not been* informed officially of the advocate-general's opinion. But it said conservation measures will remain in force.

'Urgent need' for training reform

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

SCATHING criticisms of Britain's educational, training and recruiting practices—and far-reaching proposals for reform—are made in a report published today by the Central Policy Review Staff.

The Think Tank says that although funds for education and training are restricted, much-needed improvements could be effected by redistributing existing resources.

The report stresses the need for changes in entrenched attitudes and inappropriate divisions of responsibility on the part of managements, trades unions, educational institutions, training bodies, and the Government.

Citing the Civil Service's refusal to engage people who lack "formal, but irrelevant qualifications," as an example, the Think Tank says: "The Government has little hope of gaining acceptance in the private sector of reforms which it cannot implement itself."

There is "an urgent need," the report adds, for Ministers to give training "a stronger steer." Training agencies' numbers should be reduced by mergers and take-overs, and initial craft apprenticeships should give way to the retraining of older people and more general preparation of youngsters for working life.

Among the report's controversial proposals is that the Government should reconsider replacing the present system of differentiated grants with a system of generally available student loans.

It also urges the promotion of vocational courses for part-time and evening students at the expense of academic programmes, financial penalties for universities and polytechnics which fill surplus student places with less qualified teenagers rather than with adults, and the reintroduction of a "grouped-subject" national examination on the lines of the old school certificate.

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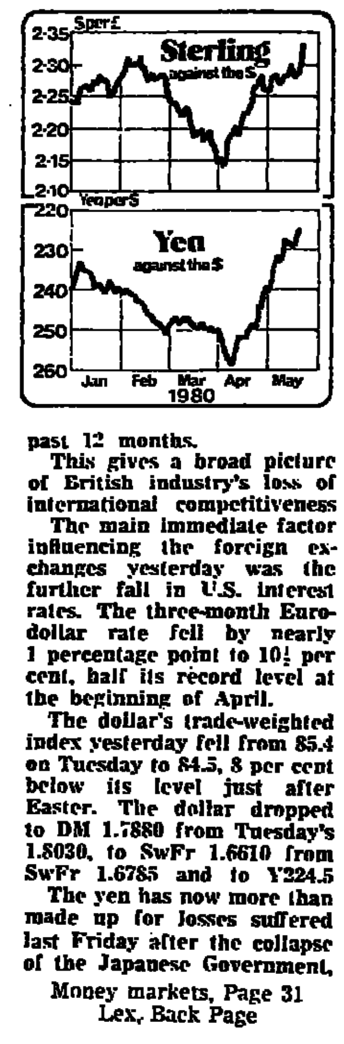
DOLLAR SHARPLY DOWN AGAINST MAJOR CURRENCIES

Pound highest since 1975

BY DAVID MARSH

STERLING yesterday rose more than 4 cents to \$2.3320, its highest against the dollar since May 1975. The dollar also fell sharply against the yen, Deutsche Mark and Swiss franc as U.S. interest rates continued the steep fall that set in more than six weeks ago.

The Bank of England intervened intermittently throughout the day to brake its rise, which was also quite marked against the other major currencies. According to the Bank's trade weighted index, sterling rose yesterday to 74.1 from 73.3, its highest closing level against a basket of currencies since August 1975.



Strong overseas demand for the pound has been sparked off by the latest international round of oil price rises — which is expected to boost North Sea oil revenues. The Government has repeatedly ruled out an early cut in UK interest rates and emphasised the importance of a strong pound.

Sterling's renewed rise comes when British inflation is well above the international average. It will aggravate further the severe competitive difficulties already faced by British exporters.

According to Morgan Guaranty, the major U.S. bank, sterling's trade-weighted exchange rate has risen by almost 18 per cent in real terms — allowing for inflation differentials with the rest of the world — in the past 12 months.

This gives a broad picture of British industry's loss of international competitiveness

The main immediate factor influencing the foreign exchanges yesterday was the further fall in U.S. interest rates. The three-month Eurodollar rate fell by nearly 1 percentage point to 10½ per cent, half its record level at the beginning of April.

The dollar's trade-weighted index yesterday fell from 85.4 on Tuesday to 84.5, 8 per cent below its level just after Easter. The dollar dropped to DM 1.7880 from Tuesday's 1.8030, to SwFr 1.6610 from SwFr 1.6785 and to Y224.5

The yen has now more than made up for losses suffered last Friday after the collapse of the Japanese Government,

Money markets, Page 31
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U.S. interest rate hint

BY DAVID LASCELLES IN NEW YORK

THE U.S. Federal Reserve Board yesterday signalled to Wall Street that it is willing to let U.S. interest rates fall even further, confounding those who thought it might prefer to pause after the record decline of the past few weeks.

This message gave a strong boost to the bond and money markets, though it depressed the dollar.

The Fed's willingness to tolerate lower interest rates was evident when it allowed the key Fed Funds Market, which covers interbank funds, to trade as low as 9¾ per cent before it intervened. Its previous intervention level had been 10½ per cent. At the height of the interest rate cycle last month, Fed funds had traded as high as 19½ per cent.

The Fed's new stance was *evidently formulated* at the closed meeting of its Open Market Committee on Tuesday, where credit policy for the next month or so was set.

Although details of that meeting will not be published for several weeks, the feeling in Wall Street is that the Fed is deeply concerned about the path taken by the U.S. economy, and is anxious to cushion the effect of its tight credit policy.

£ in New York

—	May 20	Previous
spot	\$2.2940-2950	\$2.2845-2855
1 month	1.45-1.40 dis	1.40-1.35 dis
3 months	3.45-3.40 dis	3.30-3.24 dis
12 months	7.75-7.60 dis	7.00-6.80 dis

Eight backdate Iran sanctions

By John Wyles in Brussels

THE OTHER eight members of the European Community are to impose trade sanctions, backdated to November 4, against Iran, they confirmed yesterday, leaving Britain isolated on yet another major EEC issue.

The decision will be seen as highlighting the UK's inability to get into step with its partners, not only over Iran, but also in its dispute over its EEC budget contribution and the related wrangle over farm prices.

Moreover, by remaining faithful to the sanctions decision taken by Community Foreign Ministers in Naples last weekend, the other eight can retain some political credit with the U.S., which Washington's supposedly staunchest ally in Europe looks set to lose.

As a result, the embarrassment which the British Government is suffering as a result of the parliamentary revolt over the backdating element in the EEC's sanctions package, can only deepen.

The other eight are also set to launch their sanctions today, as agreed in Naples. London, meanwhile, apparently needs more time to prepare parliamentary orders and will not be ready with its more limited trade sanctions package before the middle of next week.

The other eight's decision is all the more important because it was so unexpected. Throughout their painful efforts to meet U.S. demands for solidarity in the hostage crisis, EEC governments' guiding principle has been that they should all do no more or less than each other, so that none should gain any competitive advantage in its Iranian trade.

This point is being conceded to the UK, for what it is worth, since only a small proportion of any EEC member country's trade with Iran is covered by contracts signed after November 4.

The UK is also being left a theoretical advantage in that, by being allowed to start its sanction later than the rest, its businessmen have some opportunity to make last-minute deals before the ban on all future trade and service contracts comes into effect.

There is still a possibility that, because of the UK's differing position, some of the eight will turn a blind eye to enforcing their own active sanctions.

The UK's isolation emerged here during a day-long meeting of the Nine's trade experts,

Sanctions may aid Iran's internal solidarity, Page 6

EUROPEAN MOTOR INDUSTRY SPREADS WORLDWIDE

And then there will be eight

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

EVER MORE attractive financial incentives will be offered to multinational vehicle manufacturers as European Governments step up their competition in the 1980s.

This is one main conclusion in a study of the West European automotive industry by the Economist Intelligence Unit.

The paper also suggests:

By 1990, the world's car industry is likely to concentrate mainly around perhaps eight world companies, four of them European: Fiat, PSA Peugeot-citroen, Renault and Volkswagen.

Net exports of passenger cars from Europe will drop from an estimated 852,000 last year to 550,000 by 1985.

Car demand in Europe will fall from 10.47m in 1979 to 9.5m this year, and again to 9.35m in 1981. But, by 1985, sales should reach 11.25m.

Production should follow a similar pattern, dropping from 11.31m last year to 10.34m in 1980 and to 10.15m in 1981. By 1985, the forecast is for output to climb back to 11.8m.

The study makes the point that a most significant development in the 1970s was the increasing government participation in the industry. But whereas the original motive for state intervention was to ensure the survival of some companies, the emphasis now is on expansion.

The authors, Mr. Richard Phillips and Mr. Arthur Way, point out that most of the running so far has been made by such countries as Spain and Portugal, which are building up their motor industries. "But intense competition can be expected from other countries which are either eager to establish a greater presence in the motor sector (for example, Austria and Norway), or keen to maintain a high and growing level of commitment (for example, Italy and the UK)."

The study also points out that until the early 1970s automotive companies could operate predominantly in their domestic markets. But, over the past few years, they have needed a wider European base.

"At the beginning of the 1980s, even this is not enough. It is becoming evident that success . . . requires a global involvement. . . .

WEST EUROPEAN PASSENGER CAR PRODUCTION BY MAJOR PRODUCING COUNTRY ('000 units)

	Actual							Forecast	
	1970	1975	1976	1977	1978	1979	1980	1981	1985
W. Germany	3,528	2,908	3,547	3,791	3,890	3,933	3,600	3,500	4,000
France	2,458	2,546	2,980	3,092	3,111	3,222	2,900	2,800	3,350
Italy	1,720	1,349	1,471	1,440	1,509	1,481	1,350	1,300	1,550
UK	1,641	1,268	1,333	1,328	1,223	1,070	950	1,000	1,000
Spain	450	696	753	989	986	966	950	980	1,250
Sweden	279	316	317	235	254	297	260	260	280
Belgium	234	182	285	286	265	257	240	230	270
Netherlands	67	61	74	53	65	90	85	80	100
TOTAL	10,377	9,326	10,760	11,214	11,303	11,316	10,335	10,150	11,800

Source: EIU forecaster

On the passenger car side, as worldwide product specifications are harmonised, only those companies able to support an annual worldwide output base of 2m plus — of a rationalised product range—are likely to secure the economies of scale in component and sub-assembly manufacturing to stay independent of other groups.

Although companies need now to adopt a European, indeed a world-wide outlook, "it is unlikely that major mergers involving cross-frontier associations will be a feature of the 1980s."

The small and middle-ranking companies, if they are to survive, will have to achieve by trading links or other means the economies of scale afforded by the "world" companies.

The study forecasts that the annual average growth in passenger car demand in Western Europe between 1979 and 1985 will decline to 1.2 per cent, compared with 1.8 per cent between the peak years of 1973 and 1979.

Western Europe's car output has traditionally been higher than demand, but the gap has narrowed during the 1970s, and is expected to continue shrinking in the early 1980s because of the deterioration in net exports.

Exports will fall because opportunities are diminishing for shipping built-up vehicles to other countries, while the European market will continue to be penetrated by increasing imports from Japan and the Eastern bloc.

On individual companies' prospects, the study maintains that whether PSA Peugeot-Citroen remains Europe's leading producer at the end of the 1980s will largely depend on its success in becoming a world company. In practical terms, this hinges on the group's development in North America which, compared with Renault, Volkswagen and, to a lesser extent, Fiat, has so far been minimal.

It is argued that, whereas putting Peugeot and Citroen together was a logical move, the acquisition of Chrysler's European operations, now renamed Talbot, "adds a new and potentially unwieldy dimension."

The authors ask whether the continuation—let alone the development—of Talbot's UK operations prove too costly for PSA. "Indeed, will Talbot's UK business base be sufficient to justify a long-term local presence?"

During the 1980s, Renault is expected to increase substantially its worldwide spread of interests, but with France "remaining the nerve centre."

After the deal with Volvo, which will see Renault acquiring 20 per cent of the Swedish Group's car division, "further alliances, and not only with European companies, are probable. But in all cases, Renault is likely to be the dominant partner."

Volkswagen is not expected to break out of its German base in Western Europe. But elsewhere there could be major expansion. The group's size and standing are such that it is one of the limited number of vehicle manufacturers capable of handling major development projects world wide.

Fiat's overall prospects for the 1980s are heavily conditioned by Italy's political, economic and social problems.

At Ford, the issue is the extent to which Ford's problems in the U.S. will spill over—if at all—into Europe. "The U.S. reversal is serious and worrying—but temporary. By 1990, Ford will be one of the world companies, and as such the European operations could well be charged with playing a challenging role."

As the world's largest vehicle manufacturer, General Motors has the necessary financial, managerial and technical muscle to remain a growing force in Western Europe. Its European production capacity is expected to increase by 20-25 per cent by 1984 but, even so, by 1990 the group is still forecast to be trailing Ford in terms of Western European vehicle output.

At some stage during the 1980s, the study points out, the question must be posed as to whether the UK market's requirements could not be more economically supplied in built-up form from Opel's West German and Belgian plants, which already furnish about 20 per cent of the sales of GM's British offshoot, Vauxhall.

BL's prospects for the 1980s need to be viewed with caution, according to the study. "In the final analysis, there seems little likelihood of the UK Government failing to support BL's recovery programme. The biggest challenge facing management, and the most obvious stumbling block to the successful implementation of Sir Michael Edwardes's proposals, is not lack of finance but the attitude and co-operation of the work force."

The study says there is no reason to suppose that the managerial skill which has nurtured Daimler-Benz into a significant force in the West European automotive sector during the past 20 years will desert the company during the 1980s.

The Western European Automotive Industry: Where now in the 1980s? The Economist Intelligence Unit, 27, St. James's Place, London

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New strains as military veto Lisbon reform plan

By Jimmy Burns in Lisbon

A SUBSTANTIAL liberalisation of the Portuguese economy is unlikely to take place before the October general election and the subsequent revision of Portugal's Socialist constitution.

This view has begun to gather wide, if reluctant, acceptance, in Government and banking circles following yesterday's veto by the constitutional watchdog, the Military Council of the Revolution of legislation opening up key sectors of the economy to the private sector.

Yesterday was the third time the Council has blocked the law since its approval by Parliament in March.

The latest version specified that banking, insurance, oil refining, and cement, which were nationalised following the 1974 revolution, should be made accessible to the private sector.

Originally, the Council had argued that the Government's proposal was too sweeping and incompatible with the constitution's provision that certain sectors of the economy should remain nationalised. The present law was thus, to a significant extent, a compromise.

It was interpreted as such only recently by Portugal's Constitutional Commission, which voted in favour of the latest draft. By rejecting the Commission's advice, left-wing members of the Council have fuelled the institutional conflict between them and the Government.

The Government has asked Parliament for a period for authorisation of the law to be extended and is likely to return a fourth version for reappraisal.

This is expected to add oil refining to the sectors blocked to private enterprise, but will again draw out the Council's political objections to the establishment of private banks and insurance companies.

Italy recalls Libya envoy after fourth Rome killing

BY RUPERT CORNWELL IN ROME

ITALY HAS recalled its ambassador in Tripoli back to Rome for consultations, following the murder here on Tuesday night of the fourth Libyan exile in the Italian capital in two months.

Although the latest victim of the liquidation campaign, apparently ordered by the Libyan leader, Colonel Mu'ammar Gaddafy, was a naturalised Tunisian, responsibility for his killing was claimed shortly afterwards by the so-called Libyan Revolutionary Committees of Rome.

The recall of the Italian ambassador is a further sign of the deterioration in relations between Italy and Libya.

After an earlier killing, the deputy manager of Libyan Airlines in Rome was jailed for alleged complicity in the crime, and — in apparent reprisal for the clampdown in Rome — Alitalia's top representative at Tripoli airport suffered the same fate, on charges of "spying."

At the same time, President Sandro Pertini publicly requested the Italian Interior Ministry to take extra steps to safeguard Libyans resident in Italy, following a plea from Italy, following a plea from fugitives of the Gaddafy régime in Egypt that no enough was being done to protect their compatriots living in Rome.

Libyan exiles have been killed in Britain and West Germany since Col. Gaddafy issued his notorious "deadline" of June 11 for exiles to return home. His motive, it is believed here, is mainly to try to prevent any cohesive foreign-based movement of Libyans hostile to his régime taking shape.

Economic considerations, however, mean that Rome must tread carefully, and the recall of the ambassador is probably intended not merely as a gesture of protest but also to try to gauge accurately as possible the real intentions of the Libyan leader.

Last year Libya was the third most important supplier of crude oil to Italy, after Saudi Arabia and Iraq, and Italian trade interests in Libya are substantial.

Libya also holds a major stake in Fiat, Italy's largest private industrial group, under an agreement reached in December 1976.

Austrians review nuclear debate

BY PAUL LENDVAI IN VIENNA

AUSTRIA'S PRO - NUCLEAR lobby has begun a campaign to overturn the results of the November 1978 referendum which narrowly rejected the commissioning of Austria's first nuclear power plant.

Trade unions, business leaders and a majority of the leadership of the ruling Socialist Party are in favour of a new referendum, and according to a new poll about 58 per cent of Austrians would now vote in favour of nuclear power.

In November 1978, on a 64 per cent poll, 50.5 per cent, or a majority of 30,000, voted against the commissioning of a nuclear plant at Zwentendorf on the Danube, some 25 miles north-east of Vienna.

The plant originally cost some Sch 8bn (about £280m) but subsequent costs are estimated to have added almost Sch2bn to the original outlay. Austria's fuel import bill has risen from Sch 8bn in 1970 to an estimated Sch 44bn this year.

Dr. Bruno Kreisky, the Federal Chancellor and Socialist leader, though a nuclear power supporter, has indicated that the Government will not initiate any action but the pro-nuclear lobby has already begun a campaign in factories to collect 200,000 signatures needed to force Parliament to discuss the issue.

The Socialist leadership has pledged to change the law on not using nuclear power only with a two-thirds majority in Parliament, and the approval of the opposition People's Party will thus be required for Parliamentary approval of nuclear power. Even then the issue will be put to a referendum, which could take place in March 1981.

The reopening of the nuclear debate has sparked off heated public protests. Latest opinion polls show that about one-third of the electorate are undecided on the issue while 36 per cent are firmly for and 33 per cent against nuclear power.

Finland moves to tighten credit

BY LANCE KEYWORTH IN HELSINKI

THE Bank of England has announced the first step towards a tighter money policy as part of the fight against rising inflation.

The new measures are designed to reduce bank lending for consumer goods and housing, but investment loans are also to be more strictly screened in branches where there is a risk of creating over-capacity.

Cheque account credits with the central bank available to commercial banks will be reduced on June 1 by FMks 100m to FMks 900m (£107m). Call money market interest rates will be raised up to 22.5 per cent for banks that over-use this borrowing facility. The basic call money market rate is now 12.5 per cent.

Mr. Ahti Karjalainen, acting governor of the bank, said that there was no question of a further revaluation of the Finnmark now.

The Government is currently preparing its own programme to combat inflation which is running at about 11 per cent annually.

Finnish ships, meanwhile, can now start sailing again after a strike which lasted two months. The last hold-out, the unions of ships' engineers and radio-telegraphists, yesterday accepted the compromise proposal put forward by the state arbitrator for industrial disputes. It gives them a wage and fringe benefit increase of 18 to 20 per cent, compared with the 10 to 11 per cent accepted by the rest of the labour market.

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Steady rise in Western oil shortage forecast

BY ROBERT MAUTHNER IN PARIS

WESTERN industrialised countries face a steadily increasing shortage of oil during the 1980s, despite a slowdown in economic growth and limited success in holding down their imports, according to the annual review of 1979 energ policies published by the International Energy Agency (IEA3 yesterday.

The report is to serve as the basis of discussions at a one-day ministerial meeting here today of the IEA's 21-member countries, under the chairmanship of Count Otto Lambsdorff the West German Economics Minister.

One of the report's main points is that oil production of members of the Organisation of Petroleum Exporting Countries through the 1980s is likely to be substantially lower than previoos estimates have suggested. The IEA's last annual review estimated production at about 37.5m barrels a day in 1985 and 1990, producing a tight, but probably manageable market in the early years of the decade. Serious difficulties were not foreseen until the latter part of the decade.

However, the experience of the past year has indicated that OPEC production will not attain this level in 1985 and could be appreciably less than that throughout the 1980s. The report says that annual OPEC production during the whole of the decade may not be more than in 1979, when it totalled 31.6m barrels per day.

Even assuming a reduced average annual economic growth rate of 3.3 per cent for the IEA member countries from 1980 to 1985 and lower demand for energy and oil because of successive oil price increases, the projected shortfall of oil would be slightly greater than 2m barrels per day in 1985.

During the five-year period from 1985 to 1990, oil consumption is expected to increase only slightly, as more than 95 per cent of the growth in total energy requirements is expected to come from non-oil sources. But as the result of only a small projected increase in OPEC production and continuing increases in the oill requirements of non-IEA countries, the estimated shortfall will increase to more than 5m barrels per day.

The report adds, however, that substantial scope exists for government action to ensure that market balance is achieved in an acceptable manner, though some of the policy options are necessarily painfull.

OECD's chemicals code

BY TERRY DODSWORTH IN PARIS

A SET of guidelines designed to control the testing and marketing of new chemicals has been established by the Paris-based Organisation for Economic Co-operation and Development (OECD).

The measures, agreed at a ministerial meeting, mean that all 24 members of the OECD will now be able to work to common standards in developing chemicals which will be universally acceptable on both health and environmental grounds.

Although a number of countries have already legislated to introduce controls of the kind the OECD is proposing, it is hoped that the guidelines will form the basis for universal practice throughout the Western industrialised world.

But, at the same time, the OECD considers that harmonisation measures could stimulate trade. The chemicals industry at present accounts for sales of \$300bn a year in the 24 member countries, and some \$50bn worth of trade. It is felt that trade could be increased if the "hidden" tariff barriers contained in national testing procedures were pushed aside.

Suarez faces censure motion

By Robert Graham in Madrid

THE LEADER of the Spanish Socialist Party, Sr. Felipe Gonzalez, last night proposed a motion of censure against the Government over its general handling of policy.

The censure motion is the first introduced in Spain's Parliament since the concept was approved in the 1979 constitution. It will have to be debated within five days and if carried it could mean the fall of Sr. Adolfo Suarez's Government.

Sr. Suarez is nine votes short of an absolute majority and will have to put pressure on several supporters outside his party to defeat the motion which signals a new aggressive stance by the Socialist Party.

Earlier the Government promised to have ready by April 1983 statutes for all the regions demanding autonomy. The promise was made by the Prime Minister at the opening of a three-day policy debate.

Sr. Suarez devoted more than a third of his 105-minute statement to the autonomy issue. He insisted that the Government had to carry out an orderly devolution of authority to the regions.

The quick constitutional mechanisms used to grant autonomy to the Basque country, Catalonia and Galicia could not be extended to others. If that procedure were followed there would be a couple of dozen referendums within two years.

The Prime Minister promised that Andalucia would have an autonomy statute before the end of the year. But any legislative assembly for the region would have to wait until the general elections due in 1983. His strategy appears to link the evolution of autonomy to those elections, but his proposals did little to satisfy the opposition.

WEST GERMAN FOREIGN POLICY

Charting a careful course between friends

BY JONATHAN CARR IN BONN

BRITAIN'S DECISION not to backdate its economic sanctions against Iran was the latest in a series of actions by Mrs. Margaret Thatcher's Government which seriously annoyed the West Germans. But Britain is not the only ally to upset Chancellor Helmut Schmidt's coalition. Repeated failures of consultation and policy co-ordination within the Western camp over the past few months have shaken key principles of West German foreign policy.

The change in Britain's stand on sanctions is felt to be particularly regrettable because it might encourage other EEC countries to break ranks. This is seen as a foretaste of a possible chain reaction if Britain, exasperated by its failure to obtain what it felt was a fair deal on the EEC budget issue, decided to leave the Community.

Herr Schmidt is known to feel that Britain would then turn protectionist, that France might well follow suit, and that the Common Market would rapidly crumble. The fear of this kind of deterioration is said to be one main reason why Herr Schmidt went further than his colleagues and advisers felt he should in trying to obtain accord on the budget question in Luxembourg.

Tactically the Bonn Government was unhappy about the particularly strong public statements made by London on behalf of the U.S. position early in the Iran and Afghanistan crises. Doubt was constantly expressed in Bonn as to whether British action, on the Moscow Olympics and on Iran sanctions, could match the expectations raised.

The West Germans also claimed that this strong public support was a key factor causing M. Valery Giscard d'Estaing, the French President to oppose a Western "Big Four" summit meeting near the start of this year. The President is said to have felt that such a meeting would simply have ranged the U.S. and Britain as hardliners on one side, with France and West Germany as apparent appeasers on the other.

It is not clear to what extent Herr Schmidt himself really wanted a summit at that time. But it is plain that French policy has upset the West Germans over the past few months, even if strong criticism of it is rarely expressed. This underlines the special quality of the Franco-German relationship. But it raises a question over how close bilateral ties might be if Herr Schmidt and President Giscard, both facing elections before long, were no longer there to cement relations.

Chancellor Schmidt . . . aware of suspicions.

The personal friendship between the two leaders evidently counts for much. But it does not mean, for example, that France has given up defying the European Courtin the EEC sheepmeat dispute, despite Herr Schmidt's personal intervention on the issue. Nor, more surprisingl, did it mean that President Giscard informed Herr Schmidt about his plan to have talks with Mr. Leonid Brezhnev, the Soviet leader, before the Chancellor could read about it in the press.

However, in public Bonn took a more friendly line towards M. Giscard's initiative than did several other Western allies. Herr Schmidt is planning to see Mr. Brezhnev himself, but he felt he should first consult in detail with his partners. One official close to Herr Schmidt noted wearily, that French and West German actions are judged internationally by different standards and will long continue to be so.

This appreciation of Bonn's special position is more than ever true over the West German relationship to NATO and the U.S. The Germans are well aware of suspicions that they might break away in the interests of their "Ostpolitik"—and this produces an additional pressure to show special solidarity with the U.S. as alliance leader. But here, too, the tactics of an ally have regularly caused the hair of Bonn's policy makers to stand on end.

The Government was informed at three different levels that the U.S. did not plan to boycott the Olympic Games — only shortly before President Jimmy Carter announced his boycott decision. Bonn was also told that Mr. Carter had decided to include food and medical supplies in the sanctions against Iran, only to be informed shortly afterwards that this was not so.

The Government is also highly critical of aspects of the list presented by the U.S. detailing proposed cuts in delivery of Western strategic goods to the Soviet Union. Some of the suggestions — for example, the proposed ban on major industrial deals worth more than \$100m (£43.6m)—are bluntly described as ridiculous.

Besides development of the EEC and strengthening of the Atlantic alliance, a key principle of West German foreign policy at any level has been to see that Bonn does not have to act in isolation. But it now seems likely that West Germany will be the only major Western European power whose Olympic athletes do not go to Moscow. This was an independent decision by sports officials — albeit at the recommendation of the Government — but it could well have consequences for West Germany's political relations with the East. While working for a Common Western position in the current crises, the West Germans are starting to find themselves out on an uncomfortable limb.

French hit back at Muskie over Brezhnev summit

BY OUR PARIS CORRESPONDENT

M. JEAN FRANCOIS-PONCET, the French Foreign Minister, yesterday hit back at Mr. Edmund Muskie, the U.S. Secretary of State, for having criticised France's failure to consult the U.S. on last weekend's Warsaw meeting between President Giscard d'Estaing and Mr. Leonid Brezhnev, the Soviet President.

"France conducts an independent foreign policy," M. Francois-Poncet told the French National Assembly. "It talks with whom it wants and when it wants and needs nobody's permission to do so."

The need to maintain a dialogue with the Soviet Union was accepted by everyone, he said. Mr. Muskie himself had described his talks in Vienna last week with Mr. Andrei Gromyko, the Soviet Foreign Minister, as useful and necessary.

"Why should what is rightly considered to be useful and necessary for Mr. Muskie and Mr. Gromyko become damaging or superfluous for the French President and Mr. Brezhnev?" M. Francois-Poncet asked.

He recalled that President Jimmy Carter was informed last Friday in advance of the meeting in a personal message from President Giscard. The French leader had also telephoned the West German Chancellor, Herr Schmidt, and had sent another message to Mrs. Margaret Thatcher, the British Prime Minister.

The Franco-Soviet meeting had never been intended to have the character of negotiation leading to definite decisions, he said, which was why it had not been publicised in advance and why no final communique was issued.

EEC fears Japanese trade drive in Europe

By John Wyles in Brussels

EUROPEAN COMMISSION officials have warned of increasing EEC concern about a new deterioration in the Community's trade balance with Japan during discussions this week with senior Japanese Government representatives.

During their regular bi-annual consultations with Japan, commission officials have drawn attention to a sharp leap in Japan's trade surplus with the Community in the first three months of this year.

Denominated in yen, the first-quarter surplus is some 57 per cent higher than in the same period last year and some 30 per cent higher if measured in dollars. This trend is a special disappointment to the Community because of evidence over the past year or so that Japan's surplus had been stabilising at around \$5.1bn (£2.2bn) per annum.

This was only \$90m, or 1.8 per cent, higher than in 1978 and showed a much slower rate of increase than was evident in the previous years since 1973. Now the Commission is beginning to fear that last year's standstill in the surplus may have been an aberration owing more to the strengthening of the yen in late 1978 and to a possibly anomalous 25 per cent rise in EEC exports to Japan.

But now, with Japan being pushed into balance of payments deficit—\$8.8bn on current account last year—the worry in Europe is that Tokyo will mount a big export drive to help pay for its rising oil bill.

This is bound to boost protectionist pressures in the Nine, during a time of rising unemployment and inflation.

Walter Ellis adds from Strasbourg: The EEC would face a crisis of "enormous proportions" if the problem of Britain's budget contributions and related issues were not speedily resolved, Sig. Emilio Colombo, the Italian Foreign Minister, told the European Parliament yesterday.

Sig. Colombo, current president of the EEC Council of Ministers, said that the council was not prepared to consider a new draft Community budget—to replace that rejected by the Parliament last December—until agreement had been reached on the British problem, 1980 farm prices and the Anglo-French lamb dispute.

Mr Roy Jenkins, president of the European Commission, warned that something had to be done quickly if the Community was not to be thrown into chaos by the autumn.

Elections threaten to put Palestine autonomy on ice

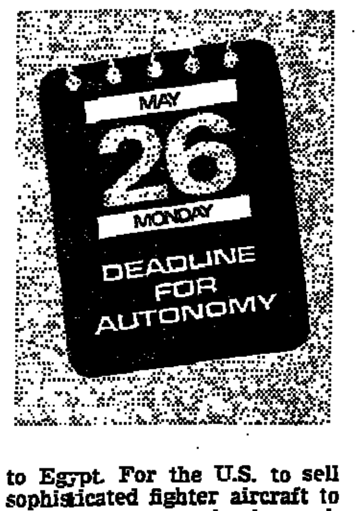
BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

HISTORY WILL repeat itself this year, assuming the right mechanism can be found to prolong the Egyptian-Israeli talks on Palestinian autonomy beyond the May 26 deadline. In 1968 and, much more importantly, in 1972 and 1976, Middle East peace negotiations were effectively put on ice, as much as anything because the United States was electing a President. This year, the U.S. and, to a degree, the Israeli, elections will have claimed another hostage.

As a proposition, this is irrefutable, but it may also be too simplistic. For the old drama has, in 1980, a distinctly different political twist, brought about by a change in the relationship between the principal players, the U.S., Israel and Egypt, and by a distinct shift in public and political attitudes in the U.S. towards what constitutes a balanced settlement in the Middle East.

In good measure this can be attributed to the enormous impact President Anwar Sadat of Egypt has had on U.S. opinion. It would, perhaps be excessive to say he has singlehandedly created an Arab lobby fit to rival its powerful Israeli counterpart, because his differences with his Arab neighbours are too well-known. At the very least, he has created an Egyptian lobby.

It has manifested itself in numerous ways. It has produced an unprecedented volume of U.S. economic and military aid



to Egypt. For the U.S. to sell sophisticated fighter aircraft to any Arab country—in the teeth of Israeli opposition—is, by itself, an exceptional event. Even during the present budgetary stringency, when the fiscal axe is cutting deeply into all forms of foreign assistance, Mr. Sadat, uniquely, could probably get what he wants from the U.S. Congress.

It has also produced a genuine affection and admiration in the U.S. Last month, for example, when Mr. Sadat was in Washington, he gave a speech to the National Press Club, on the top floor of the rather anonymous office building which also houses the Financial Times bureau. A sizeable crowd gathered spontaneously in the street outside, just to catch a glimpse of, and cheer, the Egyptian leader. No other head of state, and certainly no domestic political figure, has been able to command such unsolicited attention in my recollections of hanging out of the office window. When Mr. Sadat takes in the spurned Shah, helps the U.S. in its abortive raid into Iran, and never lets a moment pass without heaping praise on a beleaguered U.S. President, he is seen as a singular and noble friend, and a man possessed of much bravery.

In comparison, Mr. Menahem Begin, the Israeli Prime Minister, has cut a much less heroic figure. The uncritical, unwavering support for Israel which has been a hallmark of U.S. politicians, especially Democrats, in the past 30 years has shown signs of weakening. Consider, for example, what Senator Adlai Stevenson, the mainstream Democrat from Illinois, had to say on the Senate floor late last year, when a motion to cut military assistance to Israel in protest against its settlements policies was briefly considered.

"Many years of history," Mr. Stevenson said, "have made our commitment to Israel clear. But we are not obliged to subscribe to every vagary of an Israeli Government that is often divided and given to internecine quarrelling, especially when, as now, its actions damage efforts to bring about a peaceful resolution of the Arab-Israeli differences, and raise large doubts in the world about our capacity for leadership. It is time to make clear our commitment to our own interest." That Mr. Stevenson is retiring from the Senate does not mean that his reservations are not widely shared.

On the other hand, as Mr. Carter's Administration has painfully discovered, there are limits to the pressure which can be exerted on Israel, which is, through its impeccable connections in the U.S., alive to, and in a position to exploit, any nuance or shift in the U.S. Government's position. The furore created by the "anti-Israel" U.S. vote in the UN in March and by Mr. Andrew Young's unauthorised contacts with the Palestine Liberation Organisation, which cost him his job, are overt examples of how pressure can be exerted two ways. It can also be, and is, more discreetly applied.

Yet, in the 1980 political season, there are disturbing signs for Israel. Senator Edward Kennedy, in his campaign for the presidency, has been as uncritically staunch in his support of Israel as, say, the late Mr. Hubert Humphrey ever was. Yet, apart from his victory in the New York primary and his carrying of a couple of predominantly Jewish counties in Florida (both after the UN vote), it has done him little good.

There are numerous reasons for this, not the least of which is that, so far, Egyptian-Israeli problems have not, other than fleetingly, intruded on the domestic political process. After all, the principal base of Mr. Kennedy's campaign effort has been concerned with the state of the domestic economy.

With the senator's bid for the nomination apparently doomed, the question is whether or not U.S. Jews can reconcile themselves to President Carter. There should be no doubt that the President needs their support in what is likely to be a close election. Jewish support for Democratic candidates has ranged as high as the 90 per cent given to President Lyndon Johnson in 1964. Even in 1972, in the face of a Nixon landslide, Senator McGovern won 65 per cent. In 1976, President Carter took approximately 75 per cent of the Jewish vote—and many professionals considered that dangerously low.

Beyond their numbers, U.S. Jews, who tend to be concentrated in the bigger states, the principal battlegrounds in November, are traditional political activists and major fund raisers—although the advent of federally funded presidential elections and the $1,000 ceiling on individual political contributions has somewhat devalued this last asset.

At the same time, it would be both a mistake and an insult to describe American Jewish attitudes to Israel as being monolithic in their adherence. There is a lively debate inside the Jewish community as to the desirable shape of any Middle East settlement, as witnessed by countless magazine and newspaper articles, and no little appreciation that the Camp David process has, to date at any rate, produced dividends.

Moreover, the suspicion persists that many American Jews would have difficulty in embracing the Republican Party, especially if it is led by conservatives. This party reflects historical Jewish ties to the progressive wing of the Democratic Party, but it also denotes a less well-defined feeling that commercially oriented Republicans are more likely to be impressed by Arab oil wealth and more capable of cutting a Middle East deal inimical to Israeli interests. This, certainly, was the thrust of the sharp criticism of Mr. John Connally's Middle East package proposal which he unveiled last year when still a candidate for the Republican nomination. Mr. Ronald Reagan has probably not stilled these doubts.

Political logic thus seems to dictate an extended continuation of the Camp David process, to which, as Mr. Edmund Muskie, the Secretary of State, explained in his Press conference on Tuesday, the Administration is committed for policy reasons. After all, Camp David and the subsequent Egyptian-Israeli peace treaty are still widely viewed in the U.S. as the great triumph of President Carter's tenure. Not even his domestic political opponents have an interest in tearing the edifice down when so many other international problems are pressing.

Privately, Administration officials will convey their irritation with Mr. Begin's Government and even their nervousness that Mr. Sadat, in whom they place so much faith, is so desperately exposed. But alternatives are not easy to find and certainly not ones which could satisfy the U.S. political audience in an election year.

Iranian rank and file proves reluctant to fight war against Kurds

BY ANDREW WHITLEY IN TEHRAN

ATTEMPTS by Mr. Abol Hassan Bani-Sadr, the Iranian President, to bring about a negotiated settlement of the year-long rebellion by Iran's Kurds are being swept aside by mounting demands from the hardline Moslem clergy for a final military solution.

Strong support for these demands came yesterday from Ayatollah Mohammed Beheshti, secretary of the Revolutionary Council and leader of the theocratic Islamic Republican Party. The religious strongman told the paramilitary Revolutionary Guards that the Government was not prepared to hold peace talks with the Kurds until the entire western region of Iran had been purged.

The pressures to impose a solution on the Kurds and their left-wing allies, ignore the unpalatable fact that apparently serious opposition to the war has shown itself within the lower ranks of the army and airforce.

In a series of speeches this week President Bani-Sadr and the chief of staff, General Hadi Shadmehr, have emphasised the importance of discipline within the ranks and warned civilians against trying to weaken the forces' morale.

A revolutionary military tribunal has been set up to try men who are reported to have refused to bomb or attack Kurdish villages. An example was made of 20 air force men out of 200 said to have been rounded up in Isfahan recently.

Particularly embarrassing for the authorities is the case of a unit of the crack Special Airborne Brigade who have been taken captive by the rebels in the small town of Nowsud on the Iraqi border, east of Sanandaj.

Government troops are accused of surrendering without resistance, prompting Gen. Shadmehr to threaten them with punishment for treason.

Last week the President's office was reported to have accepted a six-point peace plan put forward by the Kurdistan Democratic Party, the biggest groups. Darius Forouhar, the Government's trouble-shooter in Kurdistan, has been sent to the region to hold talks with the party's leaders and with Sheikh Ezzedin Husseini, the popular Kurdish religious leader.

But is now seems that any talks may be forestalled by the opposition of leading clergymen Ayatollah Beheshti is the most prominent of a string of figures who have publicly denounced peace talks.

Islamic Republic, the newspaper of the Islamic Republican Party, quoted a member of the Revolutionary Guard in the city of Sanandaj, recently recaptured by the Government after a month of fighting, as saying: "If another special mission is sent for talks with anti-populist groups, we shall open fire on them with our machine-guns."

Opponents of negotiations say previous breathing spaces in the conflict have been used by the Kurds to reform and strengthen their positions.

The strength of the antagonism between the two sides was brought into the open in an unusually outspoken exchange between Ghani Bolourian, a leading left-wing member of the Kurdistan Democratic Party, who has been elected to the new Iranian Parliament, and Ayatollah Khalkali, the controversial religious judge. Each called for the other to be executed for his "crimes."

The Ayatollah, meanwhile, is undertaking with characteristic vigour his appointed task of rooting out drug traffickers. Twenty convicted men were executed in Tehran yesterday on his orders.

The death sentences were passed despite the fact that the President has forbidden Khalkali to try suspects personally and has limited his authority to investigation and arrest.

The Ayatollah's defiance of Mr. Bani-Sadr is a public slap in the face and the climax of a series of confrontations between the two men at a time when the President is trying hard to assert his authority over the unruly clergy.

Pretoria warms to Namibia talks plan

BY QUENTIN PEEL IN JOHANNESBURG

PLANS FOR a Lancaster House-style all-party conference to decide the future of Namibia (South West Africa) are being regarded with increasing enthusiasm by the South African Government.

Mr. R. F. Botha, the Foreign Minister, has described such a proposal as "constructive" and indicated that he would be happy for the Western members of the Security Council to sound out possible participants.

The idea of such a conference coincides with growing South African pessimism about the prospects for a Namibian settlement on the basis of the current United Nations plan for a ceasefire and UN-supervised elections.

In spite of a generally optimistic assessment by Western diplomats of the prospects for the UN plan, South Africa has expressed continuing reservations and believes that the exercise has lost momentum.

The South Africans are pressing ahead with their alternative option of setting up an effective internal government based on the South African-sponsored National Assembly. Pretoria has agreed to hand over limited military powers to a future executive council in the territory.

South Africa's strategy was to instal an internal government in the hope that it would win enough credibility in power to defeat the black nationalist South West Africa People's Organisation in a subsequent election. But the Zimbabwe election result has caused second thoughts about the success of such a plan.

The other pressure on South Africa is the growing cost of the guerrilla war being waged by SWAPO along the northern border. There is little doubt that the war is worsening. Guerrilla casualties are running at eight times the level of 12 months ago, and South African casualties are also up.

South African doubts about just how to cope with these pressures is one reason for the idea of a conference. But the prospect of getting all the parties to a table must be very slim. There is no obvious chairman, with South Africa and the UN disputing responsibility. There is no obvious way of deciding who should attend and it is not clear what such a conference would discuss: simply the mechanics of implementing the UN plan, or a new constitution for an independent Namibia.

Foreign trade deficit forecast for Japanese

BY CHARLES SMITH IN TOKYO

JAPAN may suffer a deficit of $20bn on its custom-cleared foreign trade during 1980, an association of Japanese trading companies predicted yesterday.

The Japan Foreign Trade Council, in its annual report, said exports might rise by 15 per cent in dollar terms over last year's levels but imports would increase by 25 per cent, reflecting higher oil prices.

Percentage increases of this order would mean that imports would total around $140bn against exports of $120bn. The import figure, computed according to the customs clearance formula, includes insurance and freight costs. The International Monetary Fund's formula for calculating imports and exports which is used in computing Japan's overall balance of payments excludes freight and insurance from imports and would therefore give a smaller, though still substantial trade deficit.

The council's forecast of a 15 per cent increase in dollar-denominated exports for 1980 contrasts with the 1979 growth rate of only 5.6 per cent. Reasons for the Council's optimism include a sharp increase in export volume during the first three months of 1980 (by 16.3 per cent over the same period of 1979) combined with the likelihood of some increase in the dollar prices of Japanese exports.

Australian metal workers push for 35-hour week

BY PATRICIA NEWBY IN CANBERRA

A CAMPAIGN launched in earnest this week by metal trades workers in Australia for a 35-hour week is bound to reverberate through the economy and into the political sphere. It endangers the anti-inflation strategy of Mr Malcolm Fraser, the Prime Minister, and threatens to split the labour movement in an election year.

In spite of opposition from employers, the Federal Government, the parliamentary wing of the Australian Labor Party and the public, mass meetings of metal tradesmen voted this week to take industrial action in support of a reduction of the 40-hour working week.

The 550,000 metal trades workers are workforce pacesetters. Historically, concessions and pay rises granted to them have flowed through all the manual trades.

About 40 per cent of Australia's workforce, mostly in white collar jobs, already work less than 40 hours a week. Federal civil servants, for example, work just under 38 hours a week.

From Monday, metal workers in Sydney and Melbourne will begin working their own 35-hour week with a ban on overtime. After next week they will work a 35-hour week and limit overtime to eight hours.

The seven unions covering skilled workers such as fitters, turners, welders, electricians, shipwrights and engine drivers, have published a booklet called "35 Hours, More Jobs, More Leisure."

The Metal Trades Industry Association of Australia which represents employers has countered with its own booklet on the issue.

Mr Bill Hayden, Federal Labor Opposition leader, came out against a reduced working week at present even before the Prime Minister condemned the unions. He is anxious to create an image for his party of economic and social responsibility against Liberal criticism that Labor would be spendthrift in power.

The Prime Minister is against any moves which would raise labour costs at a time when his Government is struggling to hold down inflation, currently at 10.5 per cent and rising.

Employers say that the granting of a 35-hour week is equivalent to a 14.29 per cent pay rise which they argue would so severely erode Australia's competitive position that jobs would be lost.

They also maintain that workers would continue to work 40 hours a week, merely claiming the extra five hours as overtime, leading to a 21.4 per cent rise in labour costs.

Reagan campaign shows signs of weakness

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

MR. RONALD REAGAN is as good as assured of the Republican Party's Presidential nomination, but his campaign has begun to show signs of weakness that could spell trouble for him in the election in November.

This was graphically illustrated in Tuesday's primary in the northern industrial State of Michigan, where Mr. George Bush, plugging gamely on in his own apparently doomed quest, soundly thrashed the front-runner by 57 to 32 per cent.

Mr. Reagan's easy win in the Oregon primary however, —by 54 to 35 per cent over Mr. Bush—and the 47 convention delegates he picked up in the two states on the day, have put him very close to the 998 he needs for nomination.

Some unofficial counts, which include projections of delegates to be apportioned in still incomplete caucus processes, put Mr. Reagan over the top already. He will undoubtedly clinch matters next week.

What must disturb his advisers is the fact that he is having increasing difficulty in laying the Bush challenge to rest in precisely those big states in which he must run well in November, if he is to become the next President.

His loss in Michigan comes after a similar defeat by Mr. Bush in Pennsylvania a month ago and a much narrower-than-expected triumph in the popular vote in Texas on May 1.

In Michigan, hard hit by plant closures in the car industry and where Mr. Reagan had done a fair bit of personal campaigning, he was partly victimised by the fact that the Democrats had no real primary of their own.

Party caucuses had distributed 71 delegates to Senator Edward Kennedy and 70 to President Carter and neither leading Democrat appeared on Tuesday's non-binding preference poll.

This left Democrats and Independents free to cross over and vote in the Republican primary, which they did in considerable numbers against Mr. Reagan. For the first time in many primaries, polls taken after the voting found reservations resurfacing concerning Mr. Reagan's age (he is 69).

Mr. Reagan was nonetheless bullish after Tuesday's results and said he would now be giving greater thought to preparing for the convention in Detroit in July, planning November election strategy and choosing a running mate.

Mr. Bush maintained, however, that Michigan lent credence to his candidancy

Now desperately short of funds, Mr. Bush is likely to focus his remaining efforts on Ohio and New Jersey on June 3. California, Mr. Reagan's home turf, holds the biggest primary of all on that date, but it is a winner-take-all contest and the Bush campaign would probably only squander scarce funds in a fruitless cause there.

Mr. Jim Baker, Mr. Bush's campaign manager, is also claiming, as is Mr. Kennedy on the Democratic side, that delegates already won are not irrevocably bound to their choice at the convention and that there could be a rich lode for Mr. Bush in the more than 300 Republican delegates going to Detroit committed to no candidate.

But so far behind is Mr. Bush in the delegate race—he only has now about 270 pledged to him—that mere political seduction would have to be replaced by the metaphorical equivalent of the Rape of the Sabine Women for him to catch up.

The Republican contests on Tuesday dwarfed the single Democratic primary, where, as was predicted, Mr. Carter scored an easy victory over Senator Kennedy in Oregon, by 58 to 32 per cent, winning 26 delegates to 13. According to most counts, he now has between 1,530 and 1,550 of the 1,666 needed, compared with Mr. Kennedy's 830.

Mr. George Bush

Administration criticises UK sanctions move

BY OUR U.S. EDITOR

THE U.S. Government is "extremely disappointed" that Britain is not going to make the sanctions it employs against Iran retroactive to November 4, the day on which the U.S. diplomatic hostages were seized in Tehran, it was announced yesterday.

"We expect the other members of the European Community to honour their commitment made at Naples,"—where Foreign Ministers agreed on a common sanctions programme last Sunday — the Administration statement added.

This is the first time the Carter Administration has taken public issue with Mrs. Thatcher's Government on such a major policy. Until now, the U.S. has taken pleasure in the staunchness of the British support for its policies over Iran and Afghanistan.

Administration officials want, however, not to make too much of the matter. Mr. Edmund Muskie, the new Secretary of State, was clearly in a position to criticise the British action at his Press conference on Tuesday, but chose not to do so. Instead, his department contented itself with a terse statement read out by a junior official.

Mr. Muskie, while regretting that the sanctions programme drawn up in Naples constituted a retreat from the original pledge made by European heads of state in Luxembourg some weeks earlier, was more inclined to stress the positive aspects of European co-operation with American policies.

The U.S. is clearly more annoyed with France, as Mr. Muskie made plain, over its failure to consult with Washington in advance of President Giscard's meeting with President Brezhnev in Poland. It is unclear if this resentment has been modified by the fact that President Giscard personally briefed Mr. Arthur Hartman, the U.S. Ambassador in France, on his talks on Tuesday afternoon.

M. Jean Francois-Poncet, the French Foreign Minister and the victim of Mr. Muskie's particular ire, is due in Washington at the end of next week on a previously arranged private visit, and can presumably expect a fairly tough session with Mr. Muskie.

More generally, U.S. officials concede that the present strains in the transatlantic dialogue do not make a propitious prelude to the big-power economic summit in Venice on June 22-23

The White House said yesterday that President Jimmy Carter will decide within the next few days whether or not to extend his European trip, which at present includes a State visit to Italy and to the Vatican ahead of the Venice Summit.

Consumers keep a tight rein on credit cards

BY DAVID LASCELLES IN NEW YORK

CONSUMER SPENDING, the biggest single power behind the U.S. economy, has fallen sharply in the past two months. It could be some time before it picks up again, unless the Administration decides to ease the curbs it imposed on consumer credit as part of the March anti-inflation package.

Part of the drop seems to stem from the widespread but mistaken belief that President Jimmy Carter has banned the use of credit cards or has forced retailers to tighten credit terms.

This is the picture emerging from several retailing reports, including this week's gloomy earnings figures from the country's largest stores.

Sears Roebuck, the biggest, saw its merchandising results plunge into the red from a $47m (£20.6m) profit in the same period last year. The trend was also downwards at other main retailers. Not surprisingly, sales declines were biggest in areas dominated by the ailing motor industry.

According to official statistics, retail sales fell by 1.3 per cent in March and by 1.2 per cent in April.

Few retailers expect any early improvement in business. Mr. Donald Seibert, chairman of J. C. Penney, the country's second-biggest retailer, foresees "only moderate spending gains ... as the economy moves further into recession." Economists are still divided over how severe a recession lies ahead, but the retailers' less-than-glowing expectations seem borne out by consumer surveys.

The University of Michigan, which puts out one of the most widely watched consumer confidence surveys, said in its latest quarterly report at the end of last month that consumers are at their most pessimistic since the survey started in 1946. The university's index stood at 56.5 (February 1966=100), compared with a previous low of 58 in February 1975, during the last recession.

Similarly, the New York Conference Board's consumer confidence index plummeted from 71.5 in March to 53.2 in April, although it is still above the previous low of 40 in late 1974 (the base year is 1970).

The general prediction is that the brunt of the fall in consumer spending will be felt in the expensive items for use in homes and cars—appliances, hardware and furnishings—because of the weakness of the car and housing markets. Sales of clothing and other personal goods could be more buoyant.

Influx of Cuban refugees could still reach 100,000

BY DAVID BUCHAN IN KEY WEST, FLORIDA

THE INFLUX of Cuban refugees by boat could still reach 100,000, U.S. officials said yesterday. On Tuesday, another 91 boats with 4,642 people aboard docked at Key West. More were still expected.

Most of those coming ashore are blue-collar workers, U.S. officials say. President Castro has evidently restrained professional people useful to the flagging Cuban economy from leaving the island.

Immigration officials complain that they have no control over the flow of refugees—67,030 have made it to Key West in the last month and are being distributed to various resettlement centres in Arkansas, Pennsylvania and Maryland.

President Jimmy Carter last week sought to regulate the flood by clamping down on the "freedom flotilla" and asking Havana to set up a properly organised exodus by air or sea.

So far, President Castro has not reacted to this offer, and so the administrative nightmare which the irregular flow of refugees is causing the Carter Administration continues.

Pemex to build offshore natural gas pipeline soon

BY WILLIAM CHISLETT IN MEXICO CITY

PEMEX, the Mexican state oil monopoly, will soon start building its first offshore natural gas pipeline, to carry onshore for commercial use the gas it is flaring in the Campeche oil zone in the Gulf of Mexico.

Oil has come on stream in this area far more quickly than expected. It is generally acknowledged to be one of the world's richest offshore fields with proven reserves estimated at 8bn barrels. Offshore production started last July at 19,000 barrels a day and is now running at more than ½m b/d.

As a result, increasingly large amounts of natural gas are having to be flared and revenue lost. Pemex says 7 per cent of the current daily natural gas production of 3.5bn cu ft is being burned off.

To make use of this offshore gas, Pemex is to build a pipeline from the wells to the port of Dos Bocas on the Gulf coast. The pipeline will then be incorporated into the national system.

Pemex is also planning a second 36-in. diameter, 100-mile pipeline to take the offshore oil ashore. The existing pipeline is approaching its capacity.

Mexico is selling 300m cu ft of gas a day to the U.S., and is expected steadily to increase the amount.

Pemex is rapidly expanding its network of gas pipelines around the country in line with the Government's policy of switching fuel users from oil to gas.

House votes to curb FTC

WASHINGTON — The House of Representatives approved a Bill which reduces the authority of the U.S. Federal Trade Commission.

The Bill, passed 272 to 127, would give Congress veto power over new FTC regulations and limit the agency's authority to regulate funeral homes, TV advertising aimed at children, and the insurance industry.

The Bill now goes to the Senate. It also authorises new funds for this year and next.

The FTC suspended operations for 24 hours early this month after it ran out of money. It is now operating on temporary appropriations which expire on May 31.

Reuter

Sharp decline forecast in Dutch car sales

BY CHARLES BATCHELOR IN AMSTERDAM

CAR SALES in the Netherlands, consisting almost entirely of imports, are expected to fall sharply in 1980, according to two leading motor industry organisations.

The motor industry association RAI forecasts a fall of between 9 and 12 per cent in new car sales this year to 500,000-520,000 vehicles while the garage owners' federation BOVAG expects a decline of about 20 per cent or 100,000 vehicles.

These gloomy forecasts follow a fall of nearly 3 per cent in car sales last year to 569,000. *This slight decline was the first* for five years.

Both organisations attribute the expected slump to the Government's budget measures, which will lead to higher taxes on cars, and to inadequate spending on new roads. Increases in fuel tax, the special purchase tax applied to cars and road tax are expected to *cost motorists* an extra *Fl 500m* (£111m) this year.

In the longer term the motor industry association foresees a recovery in demand to above 600,000 new cars a year with a shift to more economic models and to liquefied petroleum gas and diesel-fuelled models. Replacement demand, *assuming an average car life* of 10 years, is expected to be around 500,000 cars in 1985.

New car sales declined by 50,000 in the first four months of this year alone, according to the garage owners federation.

Last year the Netherlands imported 38.5 per cent of its new cars from West German manufacturers, 23.9 per cent *from* France, *19.5* per cent from Japan and 5.9 per cent from Italy. Dutch manufactures, principally Volvo Cars, accounted for 3.4 per cent of sales and Britain for 3.3 per cent.

Sales of West German and Japanese models have increased over the past five years. French and Italian sales have fallen *while British car sales* have been more than halved.

New Honda car for EEC

BY CHARLES SMITH IN TOKYO

HONDA MOTORS hopes to start exporting its newest passenger car model, the Quint, to Europe this autumn. Whether it will actually do so depends on available capacity at the company's Sayama plant, where the Quint is produced along with two other Honda models, the Prelude and the Accord. Production of the Quint, which was introduced in February, is currently running at about 3,000 cars per month. All of these cars are being sold on the domestic Japanese market where initial response to the new model has been favourable.

Honda says it plans to start selling the medium-sized Quint in Europe rather than the U.S. because American demand for its other three models — the Prelude, Accord and Civic—currently far outruns available supplies. To introduce a fourth model in the U.S. would add further to the problem of keeping up with demand, Honda says.

Honda's U.S. sales are currently around 32,000 units per month whereas sales to Western Europe are slightly above 10,000 units per month.

The Quint, is a medium-sized passenger car with a 1,600 cc engine, ranks between the Civic and the Accord in Honda's model range. The car sells in Japan at prices ranging from Y540,000 to Y1.32m (£1,100-£2,500). No decision has been taken yet about prices in the European market.

IRAN AND WESTERN SANCTIONS

Trade limits may aid internal solidarity

BY PATRICK COCKBURN

"BUSINESS HAS NOT just been normal, it has been better than ever as people try to beat sanctions," says one exporter to Iran.

"It is still safe for a foreigner to walk the streets in Tehran, and the merchants in the bazaar are used to dealing with difficult trading conditions. They have managed to get the goods to the customer over the past year, and sanctions will not stop them, whatever middlemen they have to use.

"What worries me," he said, "is not sanctions but the internal situation in Iran. Sanctions will, if anything, help the Government. Without them the whole system in Tehran could dissolve over the next few months for want of a rallying point. That is the real threat to business."

The introduction of sanctions *is a blow to such exporters who* weathered a difficult period during the revolution. Most of the vast projects initiated by the Shah have already been abandoned or been put into cold storage, but the first quarter of this year did see a rapid increase in trade.

In the whole of 1979, for instance, Japan's exports were only $925m compared with $2.7bn the year before. But in the single month of March this year Iran imported goods worth $238m from Japan. As for the EEC, a ban on new contracts would not choke off the £500m a month it exports to Iran, but it would cut back on the growth which was expected in 1980.

And even if there were optimistic signs for exporters it was always unlikely that trade would have returned to its pre-revolution 1978 level since so many major projects had been abandoned.

For example, the West Germans have seen their lucrative nuclear power station contracts disappear, and the $7bn worth of important development projects the French had at the end of 1978 has eroded to the extent that today work is continuing on contracts of only $2bn.

The UK had not been notably successful in winning development contracts in the last years of the old regime, and is, therefore, *less affected* by the overall retrenchment. But Talbot's contract to supply kits to Iran National for the Peykan car, worth only £20m in 1979, should produce exports valued at £150m this year. Together with exports of Land Rover kits and buses, motor vehicles have accounted for almost a quarter of total UK exports to Iran.

The *fate of* Marples Ridgway's £105m road contract in Baluchistan, the last big development project in which a British company was involved, is symptomatic of the difficulties facing those still working in Iran. After a hiatus during the revolution work restarted on this scheme last July. The Ministry of Roads was enthusiastic *that the company complete* the road, but progress payments owed could not be obtained and Marples Ridgway finally pulled out last month.

The Japanese agreed to resume working on the $3.2bn Bandar Khomeini petrochemical project early this week, but face continual difficulties. A quarter *of Japan's exports are accounted* for by steel, mostly supplied by Nippon Steel and Kawasaki Steel, but no contracts were signed for July-September delivery. There is already a steel shortage in Iran which will be exacerbated by sanctions, and lack of construction materials is pushing up the price of houses in Tehran.

Salzgitter of West Germany has also been a major supplier of structural steel to Iran with exports worth $50m up to June. Large-scale turnkey business, once the staple of West German trade with Iran, is now negligible, though Krupp has shown renewed interest in the Sar Chesmeh copper project following the copper price *recovery at the end of* last year.

In 1979 West Germany was Tehran's largest Western trading partner, with exports of $1.3bn. Since the U.S. called for allied solidarity in imposing sanctions, Bonn has been its strongest ally in the EEC. This hard line approach may be reflected by a more rigorous enforcement of *the* sanctions now introduced.

Taken as a whole, the sanctions will inconvenience rather than really hurt the Iranians. Goods from Europe could be sold in Dubai or Kuwait and then shipped across the Gulf to Iranian ports with other goods destined for Tehran, moving through such other gateways as Vienna and Eastern Europe.

Italy is somewhat more fearful. It has a series of contracts being carried out in Iran, largely by state controlled enterprises, and on which $1bn is outstanding for work already done. The Condotte d'Acque engineering group is heavily involved in the new port of Bandar Abbas and Italimpianti has renegotiated a $1.5bn contract for a new steel plant at Isafahan.

The big contracts will not be directly affected by sanctions, but they will add a significant amount of confusion to an already chaotic situation. For instance France is involved in the electrification and upgrading of the Tehran-Bandar Khomeini railway, but the second phase would require a new contract. Similarly the Tehran metro scheme, on which Sofretu of Paris is carrying out a new study, would be affected. Nevertheless, 28 per cent of French exports to Iran last year was in the form of foodstuffs, and this is safe from any form of sanctions.

Taken as a whole the sanctions will inconvenience rather than really hurt the Iranians. Goods from Europe can, for instance, be sold in Dubai or Kuwait and then shipped across the Gulf to the Iranian ports. Other goods, whose final destination is Tehran, will be sold in Vienna or Eastern Europe.

The failure of sanctions against Rhodesia is often used to explain why the EEC measures will prove ineffective. The analogy should not be carried too far. Iran's distribution system and bureaucracy are chaotic. However meagre the EEC response to the U.S. request for solidarity, it will probably have at least some effect because of Iran's inability to organise counter measures.

Voest awarded £120m Saudi contract

By Paul Lendvai in Vienna

VOEST, the state-owned Austrian steel and engineering concern, has received an order, said to be worth Sch. 3.5bn (£120m) to erect a steel plant in Saudi Arabia.

The contract was signed in Riyadh by Mr. Heribert Apfalter, director general of Voest, and is the single largest steel plant order ever received by Voest in the region.

It is understood that the conclusion of the deal was speeded up as a result of talks conducted by Chancellor Bruno Kreisky during his trip to Saudi Arabia in February this year. He also managed to secure firm commitments by the Saudis for the delivery of 1.75m tons of crude per annum for Austria.

First indications that Voest was in a good position to win the order surfaced during the Chancellor's visit when he was accompanied by leading executives of Voest and other, major Austrian companies.

Mr. Apfalter is reported to be optimistic that this year Voest could for the first time in years show a modest profit. He has already stressed that the order books are full.

Italians win Kuwaiti orders

By Rupert Cornwell in Rome

THREE Italian companies, Ansaldo Meccanica Nucleare, of the State-owned Finmeccanica group, Tonolli and Nuove Reggiane this week signed contracts worth $102m for the construction of four desalinisation units in Kuwait.

Further contracts will be awarded shortly for the remaining eight desalinisation units in the complex. Each has a daily capacity of 16m gallons. The first batch of contracts was signed by Italian representatives and Mr. Khalaf Ahmed Khalaf, the Kuwaiti Electricity and Water Minister.

Meanwhile Ercole Marelli, the Italian engineering group, has won a L9bn (£4.65m) deal to supply three alternators, each with a capacity of 134,000 kw, for the planned hydroelectric power station at Sfikia in northern Greece.

W. German plant contractors hit

BY KEVIN DONE IN FRANKFURT

WEST GERMAN process plant builders suffered a marked fall in new orders last year largely as a result of the loss of business from Iran and a decline in demand from several other important foreign markets. The industry is expecting little improvement in 1980.

The embargo on trade with Iran agreed by EEC members at the weekend is unlikely to have much further impact on activity, however, as new orders from this source have already virtually ceased.

New orders taken from Iran last year totalled only DM 57.5m (£14m) compared with DM 4bn in 1978. The few major projects that are still under construction such as the DM 700m Neka power station that is being built by a consortium led by Deutsche Babcock are unlikely to be affected.

Herr Jorg Schill, a member of the Deutsche Babcock board, said yesterday that the delays in construction in recent months caused by the turmoil in Iran had added at least DM 40m extra costs to the project. It was now 80 per cent complete, however, and should be finished by the beginning of next year.

New orders from the USSR have also fallen, but the West German Process Plant Makers Federation said this was more attributable to the hiatus caused by the imminent expiry of the current five-year plan than to political factors. New orders from the Soviet Union last year totalled DM 726.7m compared with DM 983.4m in 1978 and DM 1.3bn in the peak year of 1977.

Senior executives of some leading process plant engineering groups, however, are fearful that in the coming months the West German decision to boycott the Olympic Games in Moscow will harm their chances of gaining new orders.

UK shippers concerned by Third World rate fixing

BY WILLIAM HALL, SHIPPING CORRESPONDENT

THE GROWING trend amongst developing countries to fix freight rates for imports and exports is causing growing concern in the British Shippers' Council (BSC).

In a paper entitled "The *Primacy of Exporters' Interests,*" the BSC singles out South America and West Africa as two areas where European exporters have lost most of their influence over freight rates for their exports.

In Brazil and Argentina, Government agencies are the ultimate arbiters of freight rates in both directions. The BSC believes that exporters from both developed and developing countries should be able to influence decisions on freight rates and is anxious that European Governments take action to assert and protect the negotiating rights of their own traders.

In its paper the BSC makes a number of suggestions to improve matters. Shippers' councils in exporting countries should undertake primary responsibility for negotiating the general level of outward tariffs and the final agreements on the general level of rates should be conducted between the exporting council and the shipping line or conference, alone.

Where overseas shippers' organisations have, by Government regulation, assumed rights of consultation on both their inward and outward trade, the BSC argues that the U.K. Gov*ernment must take action to* persuade the countries concerned to cease this practice.

Finally the BSC recommends that the shippers council or other organisations in the importing country should be kept advised of negotiations with freedom to comment.

Morocco gives oil permits

BY OUR FOREIGN STAFF

ELF AQUITAINE of France and the Franco-Moroccan company Société Cherifienne des Petroles (SCP) have been awarded five oil prospection permits covering 8,416 square miles in north Morocco as part of an intensive search for oil costing $90m (£39.47m) in the next three and a half years.

The programme is being financed with a $50m loan from the World Bank, and officials here says it is the first time the bank has agreed to finance oil prospection.

Its importance to Morocco is that the country has practically no oil of its own, and crude imports now cost more than revenue earned from phosphate exports, the mainstay of the economy.

In association with the state mining agency, Bureau de Recherches et de Participations Minières (BRPM), Elf and SCP will prospect the Rharb basin and the foothills of the Rif mountains, including an offshore block between the Loukos and Sebou estuaries on the Atlantic coast. Small pockets of oil already found in roughly the same area are practically exhausted.

KCA in $20m Pakistan deal

By Our World Trade Staff

KCA DRILLING, the subsidiary of KCA International, has won a $20m contract from Pakistan's Oil and Gas Development Corporation. The contract, covering two years work, provides for the drilling management of eight wells in the Toot oil field near Rawalpindi as well as for the establishment and supervision of training programmes and other support services.

The Toot project is being financed by a consortium led by the International Development Association, an affiliate of the World Bank. A key aim of the project is to boost production in the field to 9,500 b/d by 1981 from the current level of 1,500 b/d.

Spending buoyant despite recession

BY DAVID MARSH

THE RECESSION in the UK economy, which appears to have started in the first quarter this year, is not expected to reach its trough for at least 12 months.

This is the gloomy message in the batch of forward-looking economic indicators published yesterday by the Central Statistical Office.

The economy is, however, sliding into a downturn with consumer activity still relatively buoyant. The office yesterday confirmed its estimate made earlier this month that consumer spending in the first quarter rose 2 per cent compared with the final quarter last year.

Spending was boosted particularly by pre-Budget buying of wines and spirits. Motor vehicle sales also held up quite well, as did retail sales generally, particularly in the first two months.

Buoyant consumer activity partly reflects the growth of real incomes during the past 12 months, in which earnings have largely been rising faster than prices.

Spending may drop later this year as real incomes are squeezed. But, in contrast to previous recessions, during the year as a whole spending may show little change and may even rise slightly.

The CSO's principal barometer of economic prospects is its composite index of longer leading indicators. This index, which looks ahead to turning points in the economy over the next 12 months, was broadly unchanged in April, and has now been falling steadily for a year.

Its shorter leading indicator, pointing to prospects over the next six months, was also unchanged, while the indices of coincident and lagging indicators both fell in April.

TV relay cost

A FEW isolated communities, of less than 200 people, whose televisions do not receive the 625-line UHF service may have to spend more than £500 on installing their own mini-relay transmitters when the 405-line VHF television services of the BBC and IBA are finally phased out in 1986, it was said yesterday.

Barclays Bank picks Tuke's successor

BY REG VAUGHAN

MR. TIMOTHY BEVAN is to take over as chairman of Barclays Bank Group, the largest of the big four clearers, following the retirement of Sir Anthony Tuke at the bank's annual meeting next spring.

Sir Anthony, who will be 60 in August, joined the bank in 1946 and has been chairman since 1973, succeeding Sir John Thomson. Mr. Bevan, aged 53, joined the bank after being called to the bar in 1950. He became chairman of Barclays Bank UK in 1972 and a group deputy chairman in 1973.

Both Sir Anthony and Mr. Bevan are descendants from the families of the 20 private banks which came together in 1896 to form Barclays Bank. Mr. Bevan is a direct descendant of Silvanus Bevan, who joined James Barclay's Bank in Lombard Street in 1767 and later became a partner.

He was born in London and educated at Eton. He served in the Army from 1945-47, and was commissioned in the Welsh Guards. Mr Bevan is married and has two sons and two daughters.

Mr Bevan, who joined the bank's board in 1966, has a number of other directorships. He is on the board of Commercial Union Assurance, the Bank of New South Wales, Banque Bruxelles Lambert, and the Institut International d'Etudes Bancaires.

A keen yachtsman, he is a member of the Royal Ocean Racing Club and the Royal Yacht Squadron. His other clubs include the Cavalry and Guards.

New TSB chairman appointed

BY TIM DICKSON

SIR JOHN READ, until recently chairman of EMI, is to become chairman of the Trustee Savings Banks Central Board on June 1. Sir John takes over following the retirement of Mr. Andrew Rintoul, TSB Central Board's founding chairman.

Sir John's appointment follows a search by a firm of consultants in the banking, civil service and industrial sectors. More than 100 candidates were considered.

Sir John, a chartered accountant with a management background in Ford, was chairman of EMI until the troubled music and electronics group merged with Thorn late last year. He became deputy chairman of the combined businesses.

His appointment comes at an important time in the development of the TSB group. With more than 8m customers and balances of more than £5.4bn, the bank is changing from a predominantly savings institution to a fully-fledged bank operating in the personal sector.

Sir John, who is 62, is a non-executive director of Dunlop and Thames Television, and chairman of the CBI finance committee.

● The Trustee Savings Banks' maximum loan limit of £25,000 has been removed, Mr. Nigel Lawson, financial secretary to the Treasury, announced yesterday.

He told Mr. Tony Durrant (C., Reading N.) in a Commons written reply that a pilot scheme for small-scale commercial lending which began last year would be extended in phases to the remaining banks.

Mr. Lawson added: "Lending will still be concentrated on small businesses—sole traders, the self-employed, partnerships and private companies—in the main run by or partly owned by existing TSB customers."

ICL aid unlikely to be repaid

By Guy de Jonquieres

ICL, BRITAIN'S biggest computer company, is unlikely to repay more than a fraction of £40m State aid it received, according to a House of Commons Public Accounts Committee report.

The aid, from the Department of Industry between 1972 and 1976, was to help finance research and development. It was agreed ICL would repay by handing over all pre-tax profits exceeding 7.5 per cent of turnover in each of seven financial years to 1983-84, to a maximum of 25 per cent of profits.

But no repayments were made in 1977-78 because ICL's profits were only 7.4 per cent of turnover. The department concluded it unlikely any repayment would be made in 1978-79 either, because ICL's turnover was growing faster than profits.

The department believed, on the basis of ICL's analysis, that no repayment could be expected in the next four years.

"We remain concerned that the agreement was drawn in such a form that it is unlikely that the company will make any repayments in six out of the seven years." The department had discussed with ICL discharge of its debt through a lump sum. But ICL replied such a payment could damage its growth and would be inconsistent with responsibilities to shareholders.

Nuclear power plant 'cheaper than coal'

BY DAVID FISHLOCK, SCIENCE EDITOR

BRITAIN'S latest nuclear power station is producing electricity 14 per cent more cheaply than its latest coal-fired power station.

This was disclosed by Mr. Glyn England, chairman of the Central Electricity Generating Board, in a report to the Board's transmission division at Guildford yesterday.

The two stations Mr. England compared—Hinkley B in Somerset and Drax in Yorkshire—are both models for further projects by the CEGB.

Provisional costs are 1.32p per unit of electricity from Hinkley B and 1.51p per unit from Drax.

Hinkley B produced more than one-fifth of the CEGB's output of nuclear megawatts during the year to March. This was "a performance which augurs well for the future," said Mr. England.

Last month the Government gave the go-ahead for construction to begin this summer on two new nuclear stations—at Heysham, Lancashire, and Torness near Edinburgh—based on a modified version of the Hinkley B design of advanced gas-cooled reactor (AGR).

Mr. England said he expected to bring three more AGRs on power next year—at Dungeness, Hartlepool and Heysham.

"Dungeness is now scheduled to begin supplyying electricity to the national grid early in 1981. At a bout the same time, fuel will be loaded into the first reactors at Hartlepool and Heysham," he said.

Mr. England said the CEGB's eight Magnox nuclear stations, commissioned before the AGRs, had saved the electricity consumer 100m when compared with the cost of an equivalent quantity of coal—130m tonnes—which would have been used in the same period.

Total cost of the eight Magnox stations to March 1980 amounted to £1.93bn, including fuel and its reprocessing, repairs and provision for decommissioning the stations.

Comparable figures given by Mr. England for an equivalent amount of coal fired electricity amounted to £2.04bn.

Mr. England said the Board's latest methods of inspection had disclosed defects in welds in Magnox reactors. As a result, Bradwell and Dungeness A stations were being repaired. But he said the evidence suggested the defects had been present since the stations were built and they had not become any worse in service.

● Bechtel, the California-based engineering group which has experience of U.S. pressurised water reactors, is expected to become a consultant to Britain's Nuclear Power Company next month. Rolls-Royce, whose defence subsidiary Rolls-Royce and Associates builds nuclear reactors for the navy, may also becomet a sub-contractor to the nuclear company.

Divers dodge £60m in tax

DIVERS WORKING for North Sea Oil companies have avoided paying up to £60m income tax, it was disclosed yesterday.

A report from the Commons Committee of Public Accounts urges the Inland Revenue to tighten up on tax evasion by the divers, one of three groups examined by the committe.

The Inland Revenue is losing money because of the difficulty in devising ways of closing tax loopholes.

The report says that many foreign companies operating in the British sector of the North Sea refuse to divulge details of their employees to tax authorities.

By the end of 1978, there were up to 5,000 UK residents and up to 3,000 foreign residents liable for tax, but for whom tax arrangements had not been made.

In November last year the accumulated tax loss was estimated at £60m. Inland Revenue witnesses said they might have to consider advising the Government to bring in new laws to bring these workers into the PAYE scheme.

Telecon Tower

ONE OF London's landmarks, the Post Office Tower, is to be renamed the London Telecom Tower to reflect the telephone business's new vamped-up image.

The telecommunications side of the Post Office is to be known as British Telecom. It has a new logo and trade mark in blue which is to be introduced on the sides of the yellow Post Office vans, telephone directories, telephone equipment, letter paper and bills.

Hotel optimism

ALTHOUGH THERE has been considerable pressure on the British hotel industry, statistical analysis and opinion within the industry suggest that there will be "a marked upturn in performance in 1981 and 1982," says a survey published by Jordan and Sons (Surveys).

A summary of current trends says more aggressive marketing by hotel groups and tour operators means that increasingly there will be a filling-out in the traditional on-off season periods throughout the year.

British Steel to market its research services

BY DAVID FISHLOCK

BRITISH STEEL is opening its £22m-a-year research and development programme to contract work from the private steel industry and from steelmakers abroad. It plans to market such facilities as its £4m pilot stelmaking complex at Grangetown, near Middlesborough, which was opened three years ago.

The aim, said Dr. Frank Fitzgerald, BSC's director of research and development, is to earn 12 per cent of research and development expenditure from research contracts this year. The alternative could be to cut the research and development effort—at present absorbing about 0.7 per cent of the corporation's turnover.

About half of the 12 per cent for 1980 is expected to come from research contracts placed by the European Coal and Steel Community, leaving a balance of more than £1m to be earned from private sources.

Dr. Fitzgerald is optimistic that the "unique" Grangetown facility, with several pilot steel-making plants and a capacity to handle up to 8 tons of molten steel, can find a significant market with companies wanting to make small quantities of very special steels.

Training review urges reforms

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

REFORMS to clear the "paradoxical blockages between education and employment, are proposed today by the Central Policy Review Staff.

The "Think Tank's" short but comprehensive review of educational, training, recruiting and employment practices strongly criticises all main parties involved.

● Trades unions are accused of preserving, "often with management acquiescence," restrictive practices which perpetuate shortages of important skills even at times of high general unemployment. They prevent more efficient ways of developing the required skills, especially in older people.

● Employers are charged with calling publicly for people with a practical or "vocational" education while actually preferring to recruit those with academic qualifications.

● Education and training establishments maintain a muddled, counter-productive division of responsibilities, the report says. Training, in particular, is criticised as fragmented among a jumble of different ministries and sub-governmental agencies, and marked by a "jungle" of bewildering qualifications.

● Schools are accused of depreciating vocational education in favour of vested-interest academic subjects. Staff in universities, polytechnics and colleges are seen as disparaging part-time and evening courses—which the Think Tank favours for improving work skills—to the extent of refusing to teach in the evenings or at off-campus locations.

● The Government is charged with failing to "steer" the countrys training effort effectively, and with helping to perpetuate an insistence on "formal, but irrelevant" qualifications through the Civil Service recruitment procedures.

To reform the "rigid, conservative and slow" training system, the Think Tank proposes the Government should gain union and employer acceptance of the principles the 1968 Donovan Commission stated:

Objective standards should be laid down to judge qualifications.

A person who has attained such standards should be universally accepted, on proving that fact, as qualified and eligible for the work in question.

Apart from introductory training and further education for young people, the content and duration of courses should be determined by what is required to enable trainees to reach set standards.

Educational, Training and Industrial Performance. HMSO; £4.25.

UK NEWS

Metro-Cammell wins bulk of £30m order

BY LYNTON McLAIN

METRO-CAMMELL Weymann has, for the first time, won the bulk of a London Transport order for 500 buses due for delivery next year.

The Birmingham bus and coach maker won the majority of the £30m order in competition with Leyland Vehicles—the truck and bus subsidiary of BL.

A total of 519 single and double-deck buses will be supplied by the two companies.

Three hunderd of the vehicles will be Metrobuses from Metro-Sammell Weymann—double the number of Titan double-deck buses ordered for delivery next year from Leyland Vehicles. The balance of 69 vehicles will be Leyland National single-deck buses.

The latest order from London Transport—part of a programme to replace Leyland Fleetline double-deck buses by 1985—brings the number of new double-deck buses ordered for London to 1,200.

Two-thirds of this new fleet—800 buses—has been ordered from Metro-Cammell Weymann, double the number of Leyland Titan buses ordered for the capital.

Leyland Vehicles last year decided to stop production of the Titan at the Park Royal, London works. Production is to be transferred to Workington, Cumbria.

Difficulties

London Transport said yesterday it does not expect to take delivery of any Titans this year despite ordering 250 Titans for delivery this year.

The production difficulties with the Titan forced Leyland Vehicles to cut its delivery of Titans to LT, which then increased an earlier order for Metrobuses from 200 to 300.

Metro-Cammell Weymann, part of the Laird Group, had 1,735 Metrobuses worth more than £100m on order late last month and delivered its 500th Metrobus earlier this month.

Production started in 1978 after design work began two year's earlier and the company said yesterday that 17 buses a week are being completed.

As a result of this success the workforce has almost doubled at the company's Washwood Heath, Birmingham works, from 750 in 1978 to 1,400 today.

Turnover has increased by almost five times in the same period and is forecast to exceed £44m this year.

Executive directors 'earn over £28,000'

By Arnold Kransdorff

THE AVERAGE annual salary for an executive director of a publicly quoted company in the UK is more than £28,000. In addition, most get perks such as a car, non-contributory pension and free membership of private health insurance.

Non-executive directors — outside appointees who work part time on boards — earn roughly £4,400 for attending an average of 13 meetings a year.

These statistics emerge from a survey by Korn/Ferry International, the head-hunting specialist. It examined 308 companies with annual turnover of at least £10m.

The survey reveals that companies with a turnover of £10m to £50m pay their directors about £23,000 a year, slightly more than Mrs. Thatcher, the Prime Minister, earns. Larger companies pay their directors about £38,000.

Korn/Ferry also found non-executive directors were usually chosen "on the old boy network" by chairmen or directors. This confirms the view of a number of critics who say non-executive directors are not sufficiently independent of their colleagues.

Other major points were:

- The average number of directors on a board was about nine.
- Directors met about ten times a year.
- Most companies had non-executive representation, but only about two-thirds of companies allowed their own executives to stand as non-executives on other boards.

Board of Directors Study by Korn/Ferry, 2-4 King Street, London, SW1, price £4.

£14m plan to extract gas from coal

BY RAY DAFTER, ENERGY EDITOR

BRITISH GAS will build a £14m experimental gas-from-coal plant at its Westfield development centre, Fife.

The corporation said yesterday the project would form part of a £300m programme designed to ensure that Britain had supplies of substitute natural gas when offshore production ended.

A new gasification process will be tried in the plant. British Gas said the unit — a "composite gasifier"—would be the first of its kind. It would use all the coal produced from a mine and not just the larger pieces. It is expected to be the most economic method yet for making gas from coal.

The corporation has applied to the European Community for a grant to cover part of the costs. Engineering and project management will be done by Worley Engineering, part of the William Press Group.

The corporation hopes construction will start in nine months. Production of gas could start in two to three years.

Substitute natural gas will resemble the methane being produced from North Sea fields. The waste from the gasifier—a glassy material—can be used in road surfacing and brick-making.

Experiments on coal gasification started at Westfield in 1974. A number of U.S. companies are thinking of adopting British Gas technology for the commercial manufacture of gas from coal.

The corporation said if the composite gasifier experiment is a success, the technology should find a worldwide market. "Its development is being watched with interest from Europe and China."

Dover traffic growth drops off sharply

THE GROWTH in traffic through Dover, Britain's largest roll on-roll off port, dropped sharply in April. The number of passengers passing through the port, which had grown by 40 per cent in the first three months of this year, went up by just 4.8 per cent.

According to Dover Harbour Board statistics for April, the number of accompanied motor vehicles fell 3 per cent to 106,822. The number of commercial road haulage units rose 3.7 per cent and other roll-on/roll-off freight (primarily imported cars) fell 29.95 per cent.

These disappointing traffic figures come against a background of a sharp increase in conventional ferry and hovercraft capacity on the cross-Channel routes.

The slowdown in the growth of the tourist traffic through Dover in April is surprising since the period included the Easter holiday. In February and March passenger traffic rose 55 per cent and 42 per cent respectively and tourist car traffic rose 65 per cent and 29 per cent respectively.

Despite the decrease in the numbers of road haulage vehicles using the port, the tonnage of cargo handled is up 13 per cent in the first four months of this year, which implies hauliers are loading their vehicles more heavily and cutting the number of empty vehicles passing through the port.

RAY PERMAN LOOKS AT SCOTS SHREWDNESS

A bold move saves the day

THE PURCHASE of Smith and Wellstood, the company which makes Esse cookers and a range of solid-fuel stoves and heaters, is a bold move by a group of Scottish financial institutions normally noted for prudence and conservatism rather than entrepreneurial radicalism.

Scottish investment managers have a reputation for shrewdness in placing the huge funds at their command, but they generally prefer to work out of the public gaze through the gilts or equity market which they can get in and out of quickly.

"We could lose a million on the gilts market and no one would ever know," one of them said this week. "But if we lose a direct investment a tenth of that size in a firm that goes bankrupt, it will be picked over in public for months."

Yet the institutions have been under pressure from Ministers — in this Government, in their own quiet way, as much as in the last — to do more to ease the acute financial problems of manufacturing companies. The Smith and Wellstood sale offered a chance to show that they were not completely divorced from the realities of industrial life and were prepared to act.

At the same time separating the firm from its parent group, the troubled Bristol-based Newman Industries, made sense. It returned control of an old-established Scottish engineering enterprise to local management which has achieved a remarkable turnround in the past three years, and freed it from a relationship that was holding back its development.

Newman, with other, larger problems on its plate, had never been able to give much in the way of managerial or financial support to Smith and Wellstood and this year is taking the whole of its Scottish subsidiary's 1979 profit of £105,000 in dividend.

The idea of asking financial houses to buy out Smith and Wellstood was organised by Mr. David Gillan, an Edinburgh accountant who is the firms managing director. A school friend introduced him to Mr. Peter de Vink of Edinburgh Financial and General Holdings, who, armed with a glowing accountants' report on the company's prospects, found little difficulty in raising the money.

Mr. Gillan joined the company three years ago at its lowest ebb. Losses were running at £60,000 a month, despite hefty Government aid in the form of Temporary Employment Subsidy, and Newman's then chairman, Mr. Alan Bartlett, was threatening closure.

It did not take Gillan long to realise that the company had lost its way. It had diversified into general engineering subcontracting for which it was unsuited and had neglected its traditional products, solid fuel cookers and heaters. A quick tour of established customers revealed that the Esse name was still in demand and produced over 100 orders.

Pressing needs were to reduce the overdraft of £600,000 and bring together production, which was scattered over 500,000 sq ft of factory space. Gillan opened a "grist account" into which went the proceeds of anything saleable, from buildings to redundant central heating. "It was all grist to the mill."

This process is still going on. But the results are showing. The overdraft has been halved and production is now being modernised and centralised on one site. Much of the unprofitable work has already been shed so that the company can concentrate again on the things it makes best.

The Esse range of cookers is being pushed more aggressively and, convinced that solid fuel will continue to grow in popularity as gas and oil prices rise, the company has introduced several new ranges of home heaters.

The Victorian Heritage range, based on original Smith and Wellstood designs, is already selling well and a modern room heater and the New Bontesse have recently been put on the market.

Cookers and stoves are being exported to Europe and a toe-hold has been established in the U.S. Sales, which reached a low point of £900,000 in 1977, are expected to make £4m this year with strong profit growth forecast for the next three years.

INSTITUTIONS BOOST INDUSTRY

A CONSORTIUM of Scottish financial institutions is to buy Smith and Wellstood, which makes Esse solid fuel cookers and heaters, from the troubled Bristol-based group Newman Industries.

Newman, which last week reported profits down to £378,000 before tax, compared with £6.2m a year previously, will receive £750,000 from the sale and is also taking the whole of Smith and Wellstood's 1979 profit of £105,000 in dividends.

The purchasers are two insurance companies, General Accident and the Life Association of Scotland, Melville Street Investments, which is owned by the British Linen Bank and a group of financial institutions, and Royal Bank Development, the industrial arm of the Royal Bank of Scotland.

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Registrations of trucks fall

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

THE FALL in demand for commercial vehicles in the UK, which has been showing up in order books for some months, is now being reflected in the registration figures.

In April registrations fell by 9.87 per cent compared with the same month last year. According to Society of Motor Manufacturers and Traders' statistics, registrations were down 2,666 from the 24,333 of April, 1979.

But April, 1979, was a record month, topping the same month in 1978 by 18.6 per cent and beating the previous April peak — achieved in 1973 — by 3,000 vehicles.

In the first four months of 1980, registrations of commercials were still 3.84 per cent ahead of the same period last year at 102,239.

Importers accounted for 24.49 per cent of the April total compared with 23.28 per cent in April, 1979. They gained a 23.97 per cent penetration in January to April compared with 21.32 per cent in the same period last year.

So far the main impact of the gathering recession, as far as registrations are concerned, has been at the light end of the market, which is more quickly affected by economic conditions. Registrations of car-derived vans fell from 7,843 in April last year to 6,389 in 1980. The figure fell from 33,155 to 29,544 in January to April.

Registrations of purpose-built vans were down in April from 11,461 to 10,980. But over the four months sales were up from 37,216 to 44,111.

Trucks and articulated vehicles of 3.5 tonnes and over also showed a fall in registrations in April — from 6,919 to 6,122 but remained marginally ahead over the four months at 24,786 against 24,716.

In the heavy segment of the market, Leyland vehicles' four-month registrations were 4,184 compared with 4,632 in the same period last year.

Bedford, the General Motors subsidiary, also fell, from 5,134 to 3,442, possibly reflecting the production problems during the steel strike at the beginning of the year. The company is about to introduce an important new model and this might have held back registrations.

Ford, which suffered from supply shortages early in 1979, is reflecting the recovery with four month registrations of 5,706 against 3,930 in the heavy sector of the market.

Volvo remained the leading importer in this sector with registrations of 1,319 compared with 1,261 — in the January to April period. The Swedish group is being pushed very hard by Daimler-Benz of West Germany (Mercedes) with 1,278 registrations compared with 1,051.

Gas 'remains cheaper than other fuels'

BY RAY DAFTER, ENERGY EDITOR

THE BRITISH Gas Corporation has produced new figures to show that its supplies will remain cheaper than other fuels in spite of big price increases.

But the figures do not take into account increases in gas and electricity prices scheduled for later this year.

Gas consumers saw their bills rise by an average 17 per cent in April. They face further increases of 10 per cent a year in real terms in the next three years, because of a Government move designed to encourage conservation and to bring the cost of gas more in line with costs of oil and coal.

British Gas, concerned that customers might drift away, said yesterday: "We are confident gas will remain the best buy for home-heating, even after the 10 per cent real terms increase in each of the three years beginning April, 1980."

Its comparison of costs for the North Thames region shows that the bill for oil needed for hot water and full central heating in a house between 12,500 and 15,000 cubic feet would be about 83 per cent more than the corresponding bill for natural gas.

Electricity for a similar house would cost 78 per cent more than gas, and coal would be almost 39 per cent higher.

Comparison the cost of supplies to a cooker, British Gas said it typically charges £37 a year, assuming no other gas appliance is used in the home, or £15 annually if other gas appliances are used. The cost of runing an electric cooker for a year would be £64. Supply of bottled gas would cost £70.

The statistics show that the cost of a main living-room fire can be more than three times lower when gas is used instead of electricity.

The running costs, based on typical consumption levels, take into account the 17 per cent gas and electricity price increases that became effective on April 1, but not those scheduled for later this year.

COMPARISON OF FUEL COSTS† (£)

	PER YEAR			
	Gas*	Electricity	Bottled gas	Solid fuel
Full central-heating and hot water in house or flat between 8,500 and 10,000 cu. ft.	183	301	317	245
Full central-heating and hot water in house or flat between 12,500 and 15,000 cu. ft.	253	450	462	351
	Gas*	Electricity	Bottled gas	Solid fuel
Cooker	37	64	70	—
Main living-room fire	64	131	106	89–99**
Storage radiator or wall-heater	55	66	—	—
Separate hot-water supply	69	187	—	—

† For North Thames Gas region.
* Assuming no other gas appliance in use.
** Depending on whether house-coal or smokeless fuel is used.

Source: British Gas

Study cites tourism as source of Ulster jobs

By John Griffiths

TOURISM could guarantee employment in Northern Ireland at a cost per job no higher than in the manufacturing sector.

According to a study commissioned by the province's Department of Commerce the cost could, in many cases, be considerably lower.

The study says tourism could be developed to handle 1¼m visitors a year *without* overloading available tourist areas.

But the report warns that visitor levels are unlikely to rise above 700,000 unless law and order are fully restored.

But Mr. Robert Hall, the tourist board's chief executive, said that in terms of visitor potential the study was based on statistics overtaken by events.

It had concluded that under existing conditions there would be a maximum 750,000 visitors a year, with "phase II"—in which numbers would reach 1m—occurring only after a return to normality.

He based his objections on growth since 1978. There were 500,000 visitors in 1977, only 8 per cent of whom came on holiday. A year later there were 628,000, with 10 per cent holidaymakers. Last year nearly 17 per cent of the 728,000 visitors were on holiday.

Gatwick expansion plans 'vital'

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BUSINESSMEN and industrialists in the vicinity of Gatwick Airport, Sussex, who are opposed to expansion plans for the airport, have been criticised by Mr. Adam Thomson, chairman of British Caledonian Airways.

Several businessmen have appeared before the public planning inquiry into the proposed expansion of the airport from 16m to 25m passengers a year. They have complained about the environmental problems and the drain on available labour the expansion would cause.

Mr. Thomson told the Sussex branch of the Institute of Directors in Crawley: "This industry cannot survive without expansion. It either grows or it contracts. It cannot just stay at a fixed level because we are in competition."

He said most of industry would be drastically affected if the air transport industry was not able to deliver men, merchandise and mail from one side of the world to the other in a matter of hours.

The problems encountered with developing airports were a symptom of the national malaise in this country. "Britain is no longer 'great' because when changes are proposed people seem only to see problems, they no longer see opportunities."

Mr. Thomson said that one of the main complaints from local industry was that the airport was paying its workers too much. Local MPs had supported this view.

"I have to admit that I do find it strange that politicians appear to be supporting those firms who cannot afford to pay the going rate for labour in 1980 against those who are helping to raise the standard of living of their constituents."

He believed the expansion of Gatwick should be used to argue for improved hospitals, new schools, new roads, more houses and more career choice for children.

● Ellerman Sunflight, the air tours operation of Ellerman Travel and Leisure, has signed a two-year time-charter contract, worth over £16m, with Britannia Airways, the independent airline.

Britannia Airways will fly Ellerman's clients on Continental holidays out of major provincial cities — such as Glasgow, Manchester, Newcastle and Birmingham—in a move to exploit provincial markets rather than London and the South East.

'Gobbledegook' campaign

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE National Consumer Council yesterday launched a campaign to make official forms more understandable.

Its campaign will include training seminars for Government officials who write official forms and leaflets, as well as encouraging consumers to criticise badly worded forms.

The council has published a book, called "Gobbledegook," which shows how forms and leaflets should be written.

Its author, Mr. Tom Vernon, says that most of the 100,000 official forms currently circulating in the UK are "crass, boring, incomprehensible, inefficient, and inhuman."

But, Mr. Vernon adds: "Official forms and leaflets are more important to some people's lives than anything else they will ever read."

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1976=100), retail sales value (1976=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemployed	Vacs.
1978							
4th qtr.	110.3	103.0	109	101.7	132.3	1,340	230
1979							
1st qtr.	110.1	102.6	98	100.7	134.0	1,351	234
2nd qtr.	114.8	107.1	106	106.2	144.8	1,299	256
3rd qtr.	112.8	103.0	99	99.5	144.6	1,269	247
4th qtr.	112.7	103.7	106	101.7	151.9	1,286	230
Nov.	114.1	105.3	114	102.5	153.2	1,282	234
Dec.	112.1	103.5	103	101.7	153.1	1,294	219
1980							
Jan.	111.4	101.8		103.1	155.5	1,339	207
Feb.	110.2	100.5		104.1	158.7	1,414	181
March	108.9	98.1		103.0	159.9	1,414	181
April						1,458	169

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1978							
4th qtr.	105.8	97.3	123.9	97.0	100.2	102.2	20.3
1979							
1st qtr.	105.9	99.2	127.1	98.8	98.4	100.0	12.9
2nd qtr.	108.6	103.0	133.0	102.7	110.1	102.9	21.3
3rd qtr.	105.6	96.2	132.2	94.9	103.8	100.2	21.0
4th qtr.	104.3	101.3	129.6	99.1	100.9	94.9	18.1
Oct.	103.0	98.0	130.0	96.0	102.0	96.0	20.5
Nov.	106.0	103.0	132.0	101.0	103.0	97.0	19.2
Dec.	104.0	102.0	128.0	100.0	98.0	92.0	14.6
1980							
Jan.	106.0	101.0	126.0	100.0	65.0	94.0	13.2
Feb.	105.0	102.0	123.0	100.0	59.0	92.0	11.4
March	103.0	97.0	124.0	95.0	67.0	89.0	12.3

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1979							
1st qtr.	109.0	116.9	−1,588	−1,215	−235	107.0	16.78
2nd qtr.	135.3	128.9	−486	−31.0	−229	160.4	21.69
3rd qtr.	129.8	128.1	−493	−238	−158	106.8	23.18
4th qtr.	129.3	128.9	−745	−674	−157	103.7	22.54
Nov.	131.8	125.8	− 75	− 51	+ 27	104.1	22.42
Dec.	131.3	131.2	−252	−229	+ 88	102.6	22.72
1980							
1st qtr.	131.5	126.7	−723	−573	−126	100.7	24.87
Jan.	129.9	128.3	−321	−271	− 74	100.9	23.71
Feb.	136.8	129.1	−226	−176	− 52	100.6	23.93
March	127.8	122.8	−176	−126	0.0	100.7	26.96
April	127.0	127.6	−264	−214	+ 44	102.0	28.01

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1979							
1st qtr.	7.6	9.3	32.6	+1,525	777	1,581	13
2nd qtr.	9.7	17.2	28.5	+2,707	777	1,867	14
3rd qtr.	15.5	10.2	13.2	+2,409	933	1,879	14
Dec.	5.1	12.6	16.2	+ 250	161	593	17
1980							
1st qtr.	−2.3	9.6	25.4	+1,889	634		17
Jan.	−8.1	8.7	22.6	+ 777	235	668	17
Feb.	−6.4	10.0	20.7	+ 271	199	667	17
March	−2.3	9.6	25.4	− 709	200	635	17
April	−2.5	5.3	19.1	+ 671	266		17

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1979							
1st qtr.	144.2	153.4	161.6	208.9	218.8	268.88	64.0
2nd qtr.	147.3	163.3	168.0	216.5	225.2	293.55	67.4
3rd qtr.	154.2	169.9	176.4	231.1	231.9	301.66	71.0
4th qtr.	161.7	183.9	181.8	237.6	237.2	295.13	68.8
Nov.	162.1	186.0	181.6	237.7	237.0	297.22	68.4
Dec.	165.1	187.5	183.4	139.4	239.9	295.13	69.7
1980							
1st qtr.		197.6	191.5	248.8	247.5	284.47	72.4
Jan.	163.0	193.5	188.5	245.3	244.8	308.69	71.4
Feb.	167.3	197.6	191.5	248.8	246.7	304.27	73.2
March	172.6	200.5	194.4	253.2	251.1	284.47	72.6
April		201.8	197.1	260.8	254.1	275.67	72.6

* Not seasonally adjusted.

Call for new poll on EEC membership rejected

By Ivor Owen

CLAIMS THAT, given the opportunity of another referendum, the British electorate would now vote to leave the EEC, failed to win endorsement from the Commons yesterday.

After being almost submerged by the boisterous vocal support accorded by the anti-Marketeers to Mr. Dennis Canavan, (Lab., Stirlingshire West) when he sought leave to introduce a Bill providing for a new referendum, the pro-Marketeers triumphed in the lobbies.

With just under half the House taking no part in the division, permission to introduce the Bill was refused by 219 votes to 125, a majority against of 94.

Even though the Bill would have had no chance of becoming law, the symbolic importance of the vote was underlined by Mr. Russell Johnston (L., Inverness), who led the Opposition to Mr. Canavan.

He declared: "If this Bill is accepted, it will be taken as a clear sign that this House has turned its back on the European Community."

Mr. Johnston, persistently heckled by the anti-Marketeers as he restated his unwavering commitment to the European ideal, argued that if MPs were to turn their backs on the Community, it would be a profoundly negative act.

He insisted: "The plain fact is that we have never really tried to make the Community work,

Mr. Canavan contended that there had been a substantial switch of opinion since the 1975 referendum when 42 per cent of the electorate voted in favour of Britain remaining a member of the EEC.

He recalled that a recent Gallup poll published by the Sunday Telegraph indicated that if a fresh referendum were to be held, 59 per cent of the British people would vote to "get out" of the Community.

Inquiry into public pensions

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

A DETAILED announcement is to be made very soon on the setting-up of an independent inquiry into index-linked Civil Service pensions, Mr. Paul Channon, Minister of State for the Civil Service, told the Commons yesterday.

Although he did not give a date, it was anticipated at Westminster that the statement would be made today, before the House rises tomorrow for the Whitsun recess.

Mr. Channon promised that the inquiry would start work as soon as possible after the announcement.

He was answering a question from Mr. Jock Bruce-Gardyne (C., Knutsford), one of the Tory backbenchers who has been putting heavy pressure on the Government to alter index-linking.

Many Tory MPs have complained at the disparity between inflation-proofed Civil Service pensions and those of people in the private sector, where companies cannot afford index-linking.

Mr. Bruce-Gardyne complained that it seemed to have taken the Government a long time to tackle the problem.

He reminded the Minister: "This Party was committed to the proposition at the last General Election that arrangements for indexing public service pensions should be on the basis which bore comparison with the situation in the private sector. We are very far from that at the moment."

Mr Channon replied that by putting down a question Mr Bruce-Gardyne had activated the Government's mind with great rapidity. He predicted that the MP would have a very happy Whitsun recess when he saw the details of the inquiry.

Mr Hugh Dykes (C., Harrow East) said that with the recent increase in inflation it had been calculated that it would cost £500,000 to provide an index-linked pension comparable to that of a senior civil servant.

"Isn't it that which sticks in the gullet of the public?" he asked.

Mr Channon told him that he did not recognise that particular figure, but it was the sort of thing the inquiry would wish to consider.

In other exchanges, the Minister said he was satisfied with the operation of the pay research unit, which provides these statistics on which civil service pay increases are based. The work of the unit has come under increasing fire from some Tory MPs, who have protested at the scale of public sector wage settlements.

Mr Ray Whitney (C., Wycombe) urged the Minister to look again at the operation of the unit. He claimed it had resulted in high level of Civil Service salaries.

In addition, it had made it more difficult to achieve reasonable settlements in the private sector. But the Minister told him that he did not think this was the fault of the pay research unit. Many of these were settlements to which the Government had applied the strong discipline of 14 per cent cash limits.

Mr Ian Wrigglesworth, Labour spokesman on Civil Service Affairs, asked the Minister to comment on Press reports that the Government was going to loog again at the system of fair comparison for Civil Service pay.

Mr Channon replied that he could neither confirm nor deny them.

The Minister later emphasised that the system of pay comparability had been in existence over a long period, and to change it would be quite a major decision.

Labour peers challenge plan to abolish Lords

BY PHILIP RAWSTORNE

LABOUR PEERS yesterday challenged the party's controversial plan to abolish the House of Lords by publishing their own proposals for a reformed second chamber.

The issue may now provoke renewed debate at the Labour Party's one-day conference at Wembley on May 31.

Lord Peart, Labour leader in the Lords, made it clear yesterday that intense efforts would be made to persuade the party to abandon its commitment to abolition in favour of the reform proposals.

"I think if abolition is put to the country in a General Election campaign it would be disastrous for the party," he said.

Lord Lee of Newton, a former Cabinet Minister and chairman of the committee of Labour peers which has drawn up the reform programme, suggested that the future of the Lords should be decided by a referendum.

Any other course was likely to create a serious constitutional crisis, he said.

Lord Lee presented his committee's proposals as an "evolutionary but efficient" compromise between abolition and the Conservative plan for a second chamber with greater powers elected by proportional representation.

The Labour peers recommend that:

● Membership of the second chamber should be confined to life peers, peers of the first creation, law lords and bishops. Hereditary peers would lose their right to a seat, but would be eligible for nomination as life peers.

● A body of about 250 peers would be given the vote. They would be selected by the parties and would reflect party balance in the Commons. Provision would be made in the Opposition complement for independent crossbenchers.

Non-voting peers would be able to take part in every aspect of Lords' business except divisions.

● Nominees for life peerages would be listed by a Select Committee of the Commons chaired by the Prime Minister, who would submit a final selection to the Queen.

● The delay to a Bill resulting from disagreement between the two Houses would be reduced. After such a measure had been returned to the Commons a second time, it would become law on a simple resolution of the Commons.

The Lords would retain its powers to reject any Bill to extend the duration of a Parliament.

But the Commons would be given powers to over-rule the Lords on private Bills and subordinate legislation.

S. Wales collieries may close

By Robin Reeves, Welsh Correspondent

SIX SOUTH WALES collieries employing some 4,200 men will need to be closed in the near future to cut the coalfield's mounting financial losses, Mr. Philip Weekes, the NCB's Welsh director, told the Commons Select Committee on Welsh Affairs yesterday.

If the NCB was unable to renew its special subsidy on coking coal at the end of this year, he assumed BSC would switch to cheaper supplies and a further six pits employing another 4,200 men would also have to close.

Mr. Weekes himself believed a further subvention would be found, to avoid this. But he had ordered a special review of the 12 highest cost collieries—nine of them coking coal pits—which between them were losing up to £20 a tonne or a total of £35m a year.

"They are the great Albatross around the neck of the South with the unions," he said.

Mr. Weekes reckoned that of the 4,200 miners' jobs at immediate risk, some 1,600 could be redeployed at other collieries in the neighbourhood. But the retention rate would drop sharply if the number of closures had to be higher.

Mr. Leo Abse, the committee's chairman, asked Mr. Weekes why he had forecast last December as many as 20 pit closures and 15,000 mining redundancies in South Wales. Mr. Weekes said the position had been relieved, at least temporarily, by the special coking coal subsidy and an unexeptecd increase in the CEGB's offtake of power station coal, up 900,000 tonnes.

Obligatory origin markings

THE GOVERNMENT is to make it compulsory for a wide range of consumer goods—including imported clothing, textiles, footwear, domestic electrical appliances and cutlery products— to be marked with their country of origin.

Mrs. Sally Oppenheim, Consumer Affairs Minister, said yesterday that the statutory orders enforcing origin marking would be laid before Parliament in the Autumn and come into effect within the following 18 months.

Chunnel proposal

BY LYNTON McLAIN

THE ANGLO-DUTCH-German-French consortium which has plans for five types of Channel tunnel, wants to form a joint company with British Rail and French Rail to build the cheapest — £539m — tunnel option, MPs were told yesterday.

The European Channel Tunnel Group, which includes Costain and the Royal Bos Kalis Westminster Group, said the joint company would be responsible for planning and supervising the building of the tunnel.

The group of civil engineering companies would withdraw from the joint venture once the tunnel was fully operational.

Sir David Nicolson, the vice-chairman of the group, told MPs on the House of Commons Select Committee of Transport, which is inquiring into the possibility of a fixed cross-Channel link, that a tunnel could be operational seven years after the political decision to go ahead.

He said the proposed joint venture company with British Rail and French Rail would be based on a small equity—about 15 per cent—stake held by the railways and the tunnel group.

The balance would be in the form of a loan from a consortium of banks with 30 per cent coming from the EEC if possible.

TUC to review its role, structure and functions

BY CHRISTIAN TYLER, LABOUR EDITOR

THE TUC is to review its structure, services and functions, and examine its power relationship with individual unions.

Central to the review, the biggest for nearly 60 years, will be the TUC's role as bargaining agent with Governments in social, industrial and economic matters.

Following failure of the latest attempt to introduce proportional representation to the TUC General Council, no great change to the governing body is envisaged.

But it was confirmed yesterday that the number of seats reserved for women will be raised, from two to five, as an act of "positive discrimination" reflecting growth in female membership.

A report will go to the 1981 annual Congress. The 112 affiliated unions, representing more than 12m members, will be asked to put forward ideas.

The review will include union mergers, structure of unions, the TUC's own policy committees, industrial committees, and the regional network.

Outlining the programme after yesterday's monthly TUC General Council meeting, Mr. Len Murray, general secretary, said account would be taken of social developments, such as the greater "education and competence of working people these days."

A new form of democracy was evident which posed a challenge to modern leadership. Account would also be taken of trends such as the growth of trade unionism in professional and technical fields.

Asked if a more powerful TUC would result, he said: "Power is an illusion. TUC power absolutely depends on what the members are prepared to do themselves in developing the nature of the trade union movement."

But this was quite compatible with a leadership which could argue and fight for common causes. The TUC was not the monolith which many commentators assumed it to be.

There was a "double movement" at work—the tendency of wage-bargaining to go down to the shopfloor, but also the development of negotiation with Governments. "It's a question of winning from our members the right to speak and bargain on their behalf."

The review stems from a resolution from the National Union of Railwaymen, seconded by the white-collar ASTMS at the last Congress. This was developed at a recent Sunday meeting of the TUC's finance and general purposes committee.

UPW rejects move to block technology

BY NICK GARNETT, LABOUR STAFF

AN ATTEMPT to block the introduction of new technology in Post Offices was rejected yesterday by the industry's biggest union. The annual conference of the Union of Post Office Workers (UPW) in Blackpool turned down by 7.5 motions calling for a new full-scale union review of the impact of mechanisation.

A review would have meant that new mechanisation —including coding desks and letter sorting machinery—would have been resisted by the union in all cases where there was no clear evidence of benefit to the staff and public.

But the executive was successful in appealing to delegates that such a move would not only be damaging to the postal service, but would cut across existing agreements with management.

These agreements cover the introduction of certain types of equipment into the 1980s.

"The credibility of our union would be shattered" if new mechanisation was held up in this way, Mr. Bill Wolfenden, union assistant secretary told the conference.

responsible for mechanism

It would also make it more likely that optical character recognition (OCR) would be forced into offices he said.

Optical character recognition, which is under trial by the Post Office, involves the use of equipment capable of reading post codes and printing codes marks on envelopes so they can be processed by high-speed sorting machinery.

Mr. Wolfenden reaffirmed, however, that there would be a full debate in the union before there was any agreement to the introduction of OCR.

Fending off changes to its policy on mechanisation follows the executive's success earlier this week in securing agreement from delegates to the introduction of local productivity deals.

● The largest Post Office union agreed yesterday to operate a national unaddressed mail service for the first time. It will give an improved service for clients such as private companies and local authorities.

The annual conference of the Union of Post Office Workers in Blackpool accepted proposals that the scheme, to operate from July, will provide postmen with an extra 1p per item posted.

Posting of these items will be done in existing working hours.

Nurses to consider industrial action

Financial Times Reporter

THE ROYAL College of Nursing, Britain's leading nursing union, yesterday voted overwhelmingly to consider changing its rules to allow industrial action for the first time in its 64-year history.

The union decided at its annual congress in Harrogate to ballot its 165,000 members on a proposed rules change.

Its decision follows anger at the doctors' 30 per cent pay award—about £2,000. Nurses have been limited by Government cash limits to 14 per cent—just £800.

Delegates stressed in a two-hour emergency debate that industrial action might be the only way to protect patients against present disastrous staff shortages becoming even worse.

Nurses would continue to leave the profession for better-paid jobs unless their pay—and status—were raised.

But Miss Catherine Hall, the RCN's general secretary, said the union was not yet thinking of all-out strike action.

"What is being talked about is selective industrial action carefully thought out to safeguard the interests of patients," she said.

Mr. Mike Travers, of the stewards national committee, suggested one form of action might be for student nurses to refuse to be left in charge of wards. Nurses could also refuse to use their own cars for work.

Last year the union decisively rejected a similar move to allow industrial action. The decision was applauded by the then Leader of the Opposition, Mrs. Margaret Thatcher, who said that in return a way should be found to ensure that nurses' pay never again falls below the general level of earnings.

Yesterday nurses sent a telegram to Mrs. Thatcher demanding that she demonstrate her sincerity.

TASS may take legal action against merger

BY ALAN PIKE, LABOUR CORRESPONDENT

TASS, the white-collar section of the Amalgamated Union of Engineering Workers, will take legal action if necessary to protect its position in the AUEW umbrella organisation.

This was agreed by delegates to the TASS conference at Bournemouth yesterday, after a private session in which they considered the latest stage of the long AUEW amalgamation problems.

Two of the union's three minority sections—foundry and construction — are trying to make the loose, federal AUEW structure into a complete amalgamation by transferring their members to the dominant engineering section.

TASS will not do the same because of constitutional differences, mainly over the election of officials. The problem is compounded by the sharp political division between the Left-wing TASS leadership and the Right-wing engineering leaders.

There are fears among TASS members that the moves to integrate the other three sections will seriously undermine their position

Mr. Ken Gill, TASS General Secretary, said after yesterday's debate legal opinion suggested the union's position under the 1970 rules was endangered by the new merger arrangements. TASS did not want to prevent a closer merger of the three manual sections if this was the wish of their members, but was concerned to protect its own position.

Some TASS conference delegates had favoured the union seeking an alternative amalgamation, possibly with the Transport and General Workers' Union, the Amalagamated Society of Boilermakers or another white collar union, said Mr. Gill.

Alternative steel plans

BY OUR LABOUR EDITOR

THE TWO steel production unions are preparing a detailed commercial case for halting—or at least minimising—the rundown of the British Steel Corporation. Their alternative strategy, prepared with the help of university academics, is intended for Mr. Ian MacGregor, the new chairman of BSC, who has yet to meet union leaders.

Mr. Bill Sirs, general secretary of the Iron and Steel Trades Confederation, said yesterday he wanted to fight the closure programme, but would only do so if other unions also fought.

But the unions' position has already been undermined in South Wales, where a local agreement has been reached for the rundown of Port Talbot, with the loss of 6,000 jobs, despite protests from the Wales TUC and the miners—whose jobs are threatned in consequence.

Mr. Sirs said he did not know whether he would endorse the agreement until he had seen it. No union official had yet signed.

The main demands of the alternative strategy are for an immediate capital reconstruction and revaluation of fixed assets; State support equivalent to that enjoyed by overseas companies; better operating techniques, and an aggressive sales policy.

No Rayner co-operation

BY PHILIP BASSETT, LABOUR STAFF

EXECUTIVE GRADE civil servants yesterday decided to refuse all co-operation with the efficiency exercise being carried out in the Civil Service by Sir Derek Rayner, unless there was full consultation with staff on any proposals before decisions were taken by Ministers.

The decision of the Society of Civil and Public Servants' annual conference in Portsmouth could set the union directly against the wishes of the Prime Minister, who has made clear her firm support for the Rayner exercise since its inception last June.

Delegates argued that it was now clear the issue of the Rayner exercise would have to be tackled by the union. Mr. David Price, from the Manpower Services Commission, said the two Rayner reports on the MSC had shown that the intention of the exercise was to make cuts rather than to eliminate waste.

Extra pay bid by farm workers

By Pauline Clark, Labour Staff

AGRICULTURAL workers are claiming another pay rise—less than four months after their last annual settlement gave them increases of between 19½ and 24½ per cent.

In what is believed to be the first interim pay claim to be lodged by a union in the current pay round, the National Union of Agricultural Workers has asked for more money to compensate for the effects of inflation on its previous award.

Mr. Jack Boddy, general secretary, declined to specify the size of increase demanded but the union's biennial conference last week was dominated by calls for the gap between average wages in industry and those in agriculture to be closed. The difference is claimed to be at least £20 a week.

Under the settlement which came into effect on January 21, the country's 300,000 agricultural workers received a £58 minimum for a 40 hour week following a claim for £100 minimum for a 35-hour week.

● Local government union leaders were warned yesterday that local authorities would have only the cash to pay for an average 7.5 per cent pay rise in the coming year. Mr. Jack Smart, who next week becomes chairman of the Association of Metropolitan Authorities, said in Eastbourne that 200,000 to 300,000 jobs could be at risk if wage settlements exceeded cash limits.

Elinor Goodman reports from the Conservative Women's Conference

The ladies like truth—the starker the better

JOHN BIFFEN, chief gloom merchant to Her Majesty's Government and inventor of "three years of unparalleled auterity," yesterday came up with a new forecast of the horrors ahead. The country, he said, faced a "protracted winter of discontent."

Since he did not specify exactly what he meant by "protracted," it was not immediately clear whether this was an improvement on three years of austerity or not. But as far as his audience of Conservative ladies was concerned, it had the ring of truth about it. And they like truth: the starker the better.

By the time Mr. Biffen had finished telling them about the way any glimmer of sunshine next year was likely to be overshadowed by clouds of political discontent," they seemed ready to go out and buy hair shirts of their own.

Throughout the two days of the Conservative Women's Conference, delegates have been fed a heady diet of reality. Barely a promise has crept onto the agenda. Yesterday, it was the Treasury's turn.

Sir Geoffrey Howe brought along his entire ministerial team to answer questions which, by comparison with those usually asked at Conservative conferences, were almost frank.

"What," asked one disembodied suburban voice from the back of the hall like the ghost of elections past, "can I tell people on the doorstep who ask me about inflation?"

That was Sir Geoffrey's cue to explain yet again how things are going to get worse before they get better, and that pay restraint is essential.

Tax relief

The applause was only lukewarm, possibly because the delegates had read it all before one of those briefing sheets which Conservative Central Office sends out each week, and which only the day before, Lord Thorneycroft had been urging them to read.

As Sir Geoffrey said, the questions showed the pressures he is under from the Party at the Treasury. Tory women, it seems, are all in favour of reducing public borrowing, in much the same way as they woud be in stamping out germs, but they do not necessarily see the connection between this and protecting the Government's existing sources of revenue.

Surely, they asked, there was a case for raising the existing tax relief on mortgages, and what about the relief on the cost of child care for working mothers?

John Biffen, who is suspected of secretly wanting to commit the cardinal Conservative sin of scrapping mortgage relief altogether, sat throughout with his chin jutting defiantly out as if challenging anyone to knock him of course. It was left to Mr. Peter Rees, the Treasury

Mrs. Thatcher after concluding her rallying cry to the faithful.

Minister with particular responsibility for taxation, to deal with the question.

Mr. Rees, who looks like one of those competent bank managers who everyone would like to have in their cupboard, gently pointed out that the party had to consider whether it in fact wanted to encourage people to put their savings into housing, or whether they should not be encouraged to put it into more productive forms of investment.

Activists

Since "productive" is, by definition, a good word in Conservative circles, Mr. Rees got his round of applause. But it was left to Mr. Nigel Lawson, the Treasury's very own SAS man, to field the really difficult question about rates.

Conservatives throughout the country feel very strongly about rates and are convinced —wrongly, as it happens— that the party is committed to abolishing them.

Nigel Lawson demolished any such hope with the speed of a trained killer. There was a definite pause before the audience brought themselves to applaud him for this piece of very unwelcome guidance.

By the time Mrs. Thatcher made her triumphant entrance, the 3,000 delegates must have got the message that, Mr. Biffen said, the last thing the Government was going to do was promise prosperity round the corner.

This did not, as the Prime Minister admitted, stop her saying it all over again.

Her speech was essentially the same rallying cry to the party faithful she has been giving since the election.

In it, party morale is stiffened for the struggle at home by the uplifting of Britain as a "world leader abroad."

Slipped into it each time are some new catch phrases. This time, her script writers inserted: "The new perspective" as embodying all the party stood for, and the "patronage state" as a phrase to sum up all the appalling things the Conservatives are saving the country from.

The audience welcomed her back into their midst with the respectful pride of a good girls' school honouring a former pupil who has reached undreamed of heights in the outside world.

Role to play

Compared to the razzamatazz which greeted her at some Conservative conferences, her reception at the Festival Hall was relatively restrained — possibly because it is different for women to cheer en masse without appearing hysterical, and the women who go to Conservative conferences are by and large a pretty disciplined lot.

At the end of the two days, the Conservative ladies may have not had any clearer idea of what precisely they should say on the doorstep when challenged about inflation, or interest rates, or any of the other nasty topics which crop up. But they left London secure in the knowledge that they had a role to play in Mr. Biffen's protracted winter of discontent.

For a start, if things go on the way they are, they could go into hair shirt production for the rest of the Cabinet.

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Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● SERVICES

Survival kit for money men

AIMED AT commercial organisations that export and import extensively, and at international and multinational companies, is a time-sharing computing system for foreign exchange dealing called Centrex, devised jointly by Henley Centre for Forecasting, and Comshare.

In an era of fluctuating exchanger ates, oil surpluses and universal but internationally variable inflation, the system is designed for use by treasurers' departments to provide them with facts and allow convenient analysis and control to take place in foreign currency transactions, notably in terms of qualifying risks. The system provides extensive facts and figures, allows analysis and simulation to be performed, and produces reports.

Spot exchange rates for 17 important countries are kept in the database; the data goes back to 1967 and is updated daily. All combinations of implied cross-rates can be obtained directly and forward rates are held on a daily basis from 1978 and at weekly or monthly intervals back to 1967. Also immediately available are money market interest rates and the principal economic indicators for each of the countries.

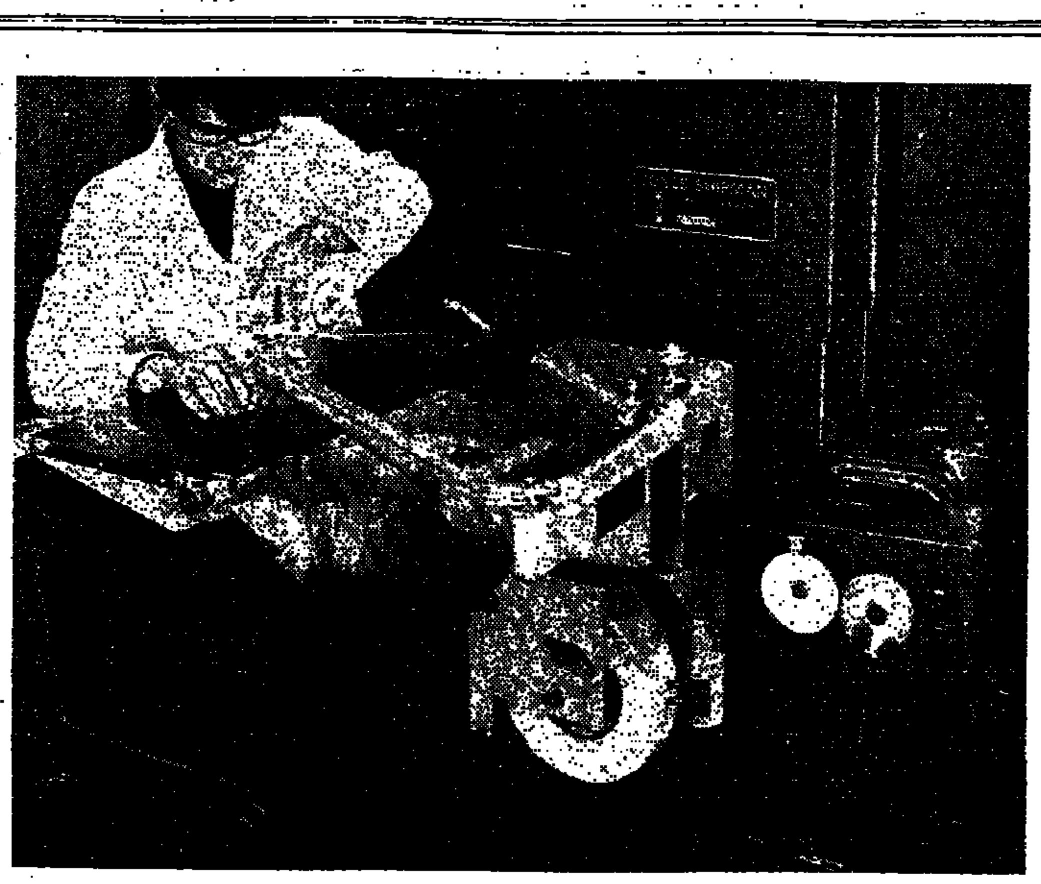
The user, armed with a simple keyboard/quiet printing unit can obtain all the data at a touch of a button.

Centrex permits detailed analysis of any part of the information for any of the available countries over any time scale. For example, the system can show averages, moving averages, percentage change and other trends with time and can also compute statistics such as variance and standard deviation. Search routines will find maximum and minimum values over a specified time period and there are also extensive plotting routines in which up to nine variables can be plotted at the same time over the desired time period.

Of particular interest is the simulation facility, which enables the user to produce projections of exchange rate movements on the basis of his own assumptions on the future course of interest rates and inflation rates in the relevant economies.

Several kinds of report can be produced, providing information in convenient form otherwise available only from widely scattered sources.

More from Comshare, 32, Great Piper Street, London, SW1P 2DB (01-222 5665), or from Henley Centre, 2, Tudor Street, London, EC4Y 0AA (01-353 9961).



Diaform has added the above design to its range of form-grinding equipment. Model 5/50 is for forming wheels up to 2 ins in width on surface, broach and cutter grinding machines—the maximum depth of form being 1 in. It is the first time that a user, with the Diaform system will be able to form a wheel of this width using the convenient 10:1 ratio between template and finished form. This ratio simplifies the interpretation of drawings and the wheel-forming operation generally. The new model, available worldwide from Diaform agents, is for use on all standard grinding machines. Diaform, Arundel Road, Uxbridge Industrial Estate, Middlesex.

● METALWORKING

Pipes bent fast and at low cost

INDUCTION HEATING in the bending of pipes has been successfully applied by Gregson Pipework of South Shields.

This company has shown that with induction bending, pipework engineers are afforded more flexibility of design, completion times are shorter, the process is cost-effective and ensures overall higher quality and superior strength integrity.

Simply stated, induction bending involves the heating of pipes by the eddy current effect of an induced electrical current. The tube to be bent is passed through an induction coil, where a narrow band of the tube is raised to forging temperature, whilst the remainder is maintained cool by air and water cooling coils.

The process requires no filling with sand or the use of internal mandrels or external dies. Moreover, the quality of the tubing is irrelevant as the induction coil does not contact the pipe. Outside diameter and wall thickness tolerances can be extremely wide. Even rolled and seam-welded tube can be processed as successfully as solid drawn tube.

The company has demonstrated that finished bends in tight radii can be consistently produced within the tolerances for ovality and wall thinning required by the most demanding users.

Bending times are equivalent to cold machine bending and are considerably less than fire-bending or welded fabrication times. The process is consequently cheaper than either of these techniques.

Gregson Pipework, 30, Commercial Road, South Shields, Tyne and Wear, NE33 1RW. 0632 553684.

● ENERGY

Stainless future in hot water

U-FAB has standardised on the manufacture of its Beaumont heating system in stainless steel—previously offered as an option for soft water installations.

Based on a direct firng design, the Beaumont allows up to 60 pe cent savings in annual wate heating costs to be realised, while, as a relatively inexpensive system for large installations, its capital cost can normally be recovered within the first or second year of installation. Typical applications include hospitals, schools, office blocks, hotels and factories.

Key to efficiency is the direct-firing concept, the heat exchangers running through the water to be used, eliminating any secondary system or extensive pipework between boiler and stored hot water to dissipate heat.

As the widest component, a standard cylindrical 455 litre steel module, is only 770 mm long, assembly on site is quite feasible thus avoiding new building work on existing boiler houses. The standard Beaumont range uses between two and five modlues, the internal surfaces being treated with a protective plastic coating.

Heat is retained by a 50 mm layer of insulation under an aluminium jacket. Twin burners—affording a 50 per cent standby—are located at the front for ease of access.

The Beaumont system normally replaces existing boilers with room to spare to upgrade by the addition of extra modules as future heat requirements dictate.

Problems caused by scale build ups in conventional hot water systems are eliminated by the Beaumont's self-cleaning feature. As the heat exchanger expands and contracts, the scale simply falls off and drops to the bottom of the cylinder, out of the way.

U-Fab, Romsey Industrial Estate, Greatbridge Road, Romsey, Hampshire SO5 0HR. (0794 516800).

● COMPONENTS

Protecting the electric motors

MICANITE and Insulators Company (M & I), part of the GEC Group, has been awarded a contract by the Electrical Technology Requirements Board to assist in the development of metal oxide varistors and surge diverters.

M & I is already marketing in the United Kingdom the range of Conox varistors made by the West German company, C. Conradty and Co. These Conox varistors are used for suppression of transients in various electronic and light electrical applications.

Under the new contract, M & I will be developing surge diverters for higher current applications, particularly for use in the power engineering industry for protection of motors, generators, transformers, switchgear, etc.

The first product to be developed under this contract is now being launched. It is a range of surge diverters with rated voltages of 3.3, 6.6 and 11kV intended primarily for use with vacuum contactors.

Each diverter contains a number of metal oxide varistor elements which are so highly non-linear that the need for series spark gaps is obviated thus providing a diverter which is less expensive and potentially more consistent than a conventional diverter would be. In each case, the diverter provides a surge protection level of approximately twice the system working voltage with a 10A discharge.

M & I Company is at Westinghouse Road, Trafford Park, Manchester M17 1PR. 061 872 2431.

● COMPUTERS

Japanese micros for Britain

LATEST company to enter the microprocessor arena in the UK is Memory Computers, headed by Graham Barrett, former managing director of London United Computing Systems who, during his srevice with that company was instrumental in bringing in a link with the most powerful machine in the world, a Cray.

His move from the massive to the microscopic will bring into Britain the System 7000 micro developed by Sanyo (of France).

It is intended primarily for the small business user and comes in a package with up to 4 Megabytes of floppy disc capacity and a choice of printer with 60, 120 or 180 characters per second.

One of the first micros from a major Japanese maker to be launched on the UK market, it has been available in France since last year and has captured some 20 per cent of the market in its target area with some 900 installations.

This equipment is beginning to penetrate into the German, Dutch and Italian markets and Barrett proposes to emulate the speed of advance attained in France by setting up a chain of distributors in the UK.

Basic and Assembler are available, with Fortran, Cobol and Pascal as optional extras.

Memory Computers (UK) is a subsidiary of Memory Ireland, a Dublin-based computer services company which recently acquired the London bureau Target Computer Services.

Further details on 01-836 5342.

Applications simplified

SPL INTERNATIONAL has released a micro development facility named MAGIC, to overcome the lack of development and testing facilities on micros, and the lack of portability in software.

MAGIC is based on a multi-access DEC PDP 11 with fast peripherals and ample backing store. The software is written in RTL/2—a standard high level real time language which is totally portable across minis and micros.

"It allows a logical system to be developed entirely independently.

Once the system modules have been built, and tested on the host computer, they are automatically loaded into the attached micro. The programmer, while still sitting at his mini terminal, can then test the target micro system in real time using the high level symbolic debugging package. The programmer can thus design the real system, develop it on the mini and test it on the micro, without recourse to simulation.

The fully tested modules make unp a stand-alone system, and the user can include MAGIC's communications software so that, while it is being used, remote on-line monitoring of the customer's system can be carried out from the support office. SPL International will supply complete hardware and software packages, or, for current PDP users, the software alone.

SPL on 01-636 7833.

More data on the spot

A FIVE-INCH (127 mm) cathode ray display is offered as an option with Hewlett-Packard factory data terminals, formerly obtainable only with one-line LED readouts.

The new CRT, available for HP 3075 and HP 3076 data capture terminals, displays up to two pages of information — one page of 16 lines with 32 normal size characters per line and one page of eight lines of 16 large size characters. The large character-size mode and special anti-reflective screen ensure easy reading, even when terminals are in brightly lit locations and the option adds under £500 to the total cost.

Hewlett-Packard data capture terminals, first introduced early in 1979, offer the choice of a single-line alpha-numeric LED display, a multi-function reader of Type III punched badges, punched or marked cards, a Type V badge reader, and a built in alpha-numeric strip printer. The new CRT option can be fitted onto a desk-top HP 3075 or a wall-mounted HP 3076 terminal. By expanding the amount of information with which the computer system can respond to factory users of the terminals, the ability to accomplish assigned tasks on the factory floor can be improved.

Hewlett-Packard, 308 King's Road, Reading, Berks. 0734 61022.

● HORTICULTURE

Electronics run the greenhouse

THE RATHER eerie prospect of the bionic greenhouse in which everything grows optimally, with little or no human attention, has come a step nearer with ECH20 from Fenlow Irrigation, a plant water/nutrient supply system controlled by a microprocessor.

This multi-channel system employs data derived from sensors in the controlled areas to evaluate and update soil data and actuate either solenoid valves or water pumps to start or stop crop watering as conditions demand.

Moisture needs of plants at various stages of growth are computed, allowance being made for variations in temperature, sunlight, length of daylight, humidity and wind. The system does not call on the judgment of the horticulturist or his employees and needs virtually no supervision or maintenance once installed.

Moisture levels for each channel can be pre-set by the grower and are stored in the machine, which subsequently scans the channels and selects them for irrigation on a priority basis. A selected channel is irrigated for a time which can be adjusted by the grower to take account of the individual crop and irrigation distribution system. When the soil moisture reaches the required level, the valve is turned off and the next channel selected for irrigation.

The level of soil moisture is computed by taking account of the grower's initial setting and subsequent water usage. The patented control program has been developed and tested by agronomists and constantly adjusts the soil moisture levels to give optimum growing conditions.

More from the company at 19 Baker Street, Weybridge, Surrey, KT13 8AE (0932 44976).

How the Landey buy fits Geers' grand strategy

BY ALAN FRIEDMAN

IT WAS a British invasion with a peculiar twist. Geers Gross, the smaller of Britain's two major quoted advertising agencies, launched a campaign this week to expand its share of the U.S. market.

The acquisition for \$2.3m (£1m) of the Martin Landey Arlow group in New York is designed to increase U.S. business and bring total Geers Gross billings to more than \$125m (£55m). On top of the group's 1978 Manoff acquisition in New York, this could rank the agency among the top 40 in the world, it claims.

But Bob Gross, the founder of Geers Gross, is anything but British. Although he has spent nearly 20 years in London, he comes from Brooklyn. His accent is solidly Yank, his approach distinctly mid-Atlantic.

He started Geers Gross in 1964 and helped it to go public five years later. The float was orchestrated by the Burston-Texas Commerce Bank. Charles Hoare, managing director of the bank at the time, became chairman of Geers Gross three months ago after returning from Hong Kong, where he was with the Hong Kong and Shanghai Banking group. Mr. Gross has decided to focus his efforts as chief executive on the UK and U.S. advertising businesses.

The mix at Geers Gross is now Anglo-American, and it appears to be working. Two weeks ago the company revealed more than doubled pre-tax profits in a year which included the 11-week ITV strike. Sixty per cent of the firm's UK business is in television, so this was no mean feat.

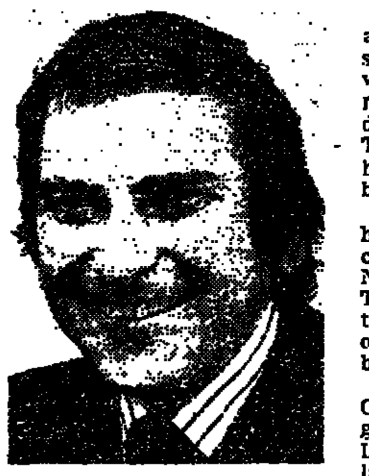
It was achieved partly by adding new accounts such as Lambert and Butler cigarettes. The shortfall was also made up during the lucrative Spillers-Dalgety dialogue.

From their Soho Square headquarters, Messrs. Hoare and Gross have quietly planned a grand strategy for billings and income growth. It is a strategy which could put Geers Gross into sixth place among UK agencies.

Unlike Saatchi and Saatchi, the largest UK agency in billing terms, the Geers Gross future will be about half-British and half-American, although Saatchi is planning a U.S. acquisition, too.

In 1978, the Manoff agency in New York was bought for \$3.5m. In its first 12-month contribution last year, Manoff supplied around 40 per cent of group earnings of £827,000.

Manoff is heavily orientated toward television advertising. It specialises in packaged foods, a very profitable part of the business along Madison Avenue. Most of its clients are located outside New York.



Bob Gross, chairman of Geers Gross

The new U.S. acquisition, Martin Landey Arlow, could complement Manoff nicely. Landey is print-orientated and is particularly active in fashion and cosmetics.

The largest Landey account is Coty, but it also has the important Hearst magazine contract, including all advertising for Cosmopolitan. Landey is expected to have billings of around \$30m this year and could provide an annualised profit of \$500,000 (£220,000).

This will mean a number of things for Landey in its new role as an arm of Geers Gross. Mainly, the increased billing size which Landey Arlow Geers Gross can sport will be a carrot for attracting further business. It is difficult to get much attention without a billing list over \$50m in New York, and this is one of the key reasons why Landey chose to accept the Geers offer.

Bob Geers and Charles Hoare first started looking at Landey about three months ago. Says Mr. Gross: "We decided last year that after the proper management changes were made at Manoff, we could look for a second acquisition, especially since we anticipated a good year of profits."

The strength of sterling was a further incentive to take a second crack at the States, and with the Manoff Geers Gross management in place, the decision on Landey was made. The positive UK results also helped to make British-based borrowings easier.

Both Landey and Manoff each have 10 to 12 major corporate clients. Combined billings in New York total \$70m (£30.8m). The two agencies, located only three blocks away from each other in Manhattan, should not be difficult to integrate.

Meanwhile, in London, Geers Gross is counting upon organic growth to justify its expansion. Lambert and Butler is the largest UK client, worth around £4m. The Zanussi appliance group is also important; it is valued at between £1½m and £2m. Access, the credit card group, and Wimpy, the fast food chain, are each worth near £1m.

Although it is early in the year, there are indications of *a pre-tax profit of at least £1m* this year. This income will soon be based on about 40 major clients in Britain and the States, with a strong emphasis on mass retailing products.

The new Geers Gross triumverate may now carry on with some success unless a sharp downturn in consumer spending cuts into advertising budgets. But Mr. Gross is confident that his clients will continue advertising even if customers slow their purchases. "Advertising is as important when there's a squeeze on as in normal times," he says.

FINANCIAL ADVERTISING: THE BANKS CHANGE TACK?

Why the Midland came down to earth

THE LOOMING hostilities among the clearing banks were further signalled late last week with the screening of the first television commercial for the Midland Bank prepared by its new agency, Allen, Brady and Marsh.

It is the first of a series of four that is refreshingly down-to-earth and reflects the Midland's continuing aim to win new personal customers, particularly among the young and unbanked. Almost half the adults in Britain do not have a current account.

By the end of the 1980s, however, it is expected that the great majority will be banked, which is why the banks are becoming more and more aggressive and adopting sales techniques previously regarded as unsuitable — notably Lloyds' recent Homemakers promotion, which offers new account holders vouchers worth a total of more than £300 which they can use as cash discounts on a range of branded items, from a Hoover dishwasher to a colour TV.

Whether Lloyds' rivals will retaliate on the promotional front is not yet clear, but if the Midland is anything to go by, UK bank advertising is likely to become more accessible than hitherto, and less ethereal.

They are fairly heavy spenders. According to figures from Media Expenditure Analysis, which monitors TV, Press and magazines but not poster advertising, the Midland was the heaviest spender in the 12 months to March 31, 1980, spending £1.76m, plus a further £680,500 on Midland Bank International. In the same period, Barclays spent a little over £1m, Lloyds rather less than £1m, TSB £1.3m and William and Glyns £625,000. At £2.4m, National Westminster spent virtually the same as the Midland.

Both the television and Press campaigns prepared by ABM use cartoonist Ross Thomson. The aim, said the agency this week, was to strike a note that was "classless, timeless, warm and friendly." The budget for the first phase is £800,000, with further bursts planned later this year.

According to the agency: "The work has been carefully researched and addresses the prime consumer problem that banks are seen as cold, impersonal, forbidding institutions."

Whether the Midland's customers will ever quite see it as "warm, approachable and friendly," as ABM would wish them to, remains to be seen, but the agency is trying. According to the account director, Pat Barham: "In the past, bank advertising has been too introverted and self-congratulatory. They have perhaps forgotten that they should be talking to the ordinary man in the street."

In broad terms, the bank is using television to communicate a general corporate stance, and Press to emphasise its range of services. "During the course of our research, we discovered numerous young people with £40 or £50 in savings, who thought it far too small a sum to take to a bank. That is why one of the ads makes clear you can open an account with as little as £1."

Over recent years, the clearing banks have seen a gradual drift of business away from themselves and National Savings towards the building societies that is something they plan to reverse.

What ABM wants the Midland to do is loudly proclaim its presence in the High Street. It offers a retail service, just like Sainsbury's, the thinking goes, and yet in 1978, when Sainsbury's spent approximately £10,300 per retail outlet on advertising, and the Leeds Permanent spent £3,800, none of the banks spent more than £1,000.

ITV REVENUES SO FAR: £184m

'False buoyancy,' says AA

THE BOOM in television advertising revenues lost only a little of its edge in April, when total net revenue of the ITV companies was £48.73m, a gain of 29.6 per cent on the £37.59m of April last year.

Thanks to carry-over from last autumn's ITV strike, revenues in the first quarter of the current year were 50 per cent higher than a year ago — £135.2m against £90.2m.

However, the Advertising Association warned this week that the apparent boom in advertising expenditure generally reflected "false buoyancy."

According to the AA's head of research, Mike Waterson: "We are convinced that advertising expenditure is performing exactly as forecast six months ago. In other words, if you eliminate the carry-over from the ITV strike, you find that a turn-down in expenditure was already occuring late last year. A number of categories, notably classified, actually fell in real terms in the last quarter of last year."

He believes that a similar performance was true of other categories. "We believe our forecasts were right all along—namely, that the advertising business is heading for some sort of recession, though nothing nearly as severe as in 1974-75."

He may be right, though there remains a body of opinion in the major agencies that holds that the down-turn will be nowhere near as sharp as some expect, if for no other reason than that major advertisers have rediscovered for themselves the value of advertising investment. Either way, the true impact of the recession on advertising is unlikely to emerge until the third quarter.

Meantime, a remarkable 85 per cent of people questioned in a recent NOP survey said they believed advertising raised prices. In 1965, when NOP conducted a similar survey, only 54 per cent held that view. Although the majority of those questioned said they though advertising was necessary, they also felt it did not always present a true picture of the product advertised.

The survey was carried out in January by the regular NOP Market Research Quota Omnibus Service covering a total of 1,982 adults.

Of those questioned, 73 per *cent felt advertising was necessary*. Only 14 per cent were completely against it, compared with 23 per cent in 1965. The majority (59 per cent) felt advertising made no difference to the quality of products — a hardening of attitudes over 1965. Then, 46 per cent felt advertising resulted in better products, against 31 per cent now.

In 1965, 54 per cent felt that advertising raised prices. According to the latest survey, this view is now held by 85 per cent.

Seventy-eight per cent said they thought the power of the persuaders was used to encourage people to buy products they did not need. Conversely, the majority (62 per cent) still feel it helps provide better choice. In 1965, 53 per cent declared that advertising presented afalse picture. That figure has now fallen to 42 per cent, although 33 per cent say it varies.

BAT plans another big launch

BAT, which two years ago spent heavily on the UK launch of its State Express 555 cigarette brands, is to re-enter the fray with the launch of Du Maurier King Size, the UK rights to which it acquired from Gallaher last year. The campaign, for which the revitalised Kirkwood Company is handling the advertising, is expected to cost more than £2m.

Du Maurier King Size is a low-to-middle tar brand. The initial selling price: 69p for 20.

● ROYAL INSURANCE has appointed Charles Barker City to handle a new television campaign. The billing is likely to exceed £500,000.

● TINKER AND PARTNERS is to handle new product development for the recently-established foods division of Coca-Cola Export Corporation. In the U.S., Coca-Cola's foods division has a turnover of more than \$1bn. Its largest brand is Minute Maid Orange Juice, brand leader in the juice market.

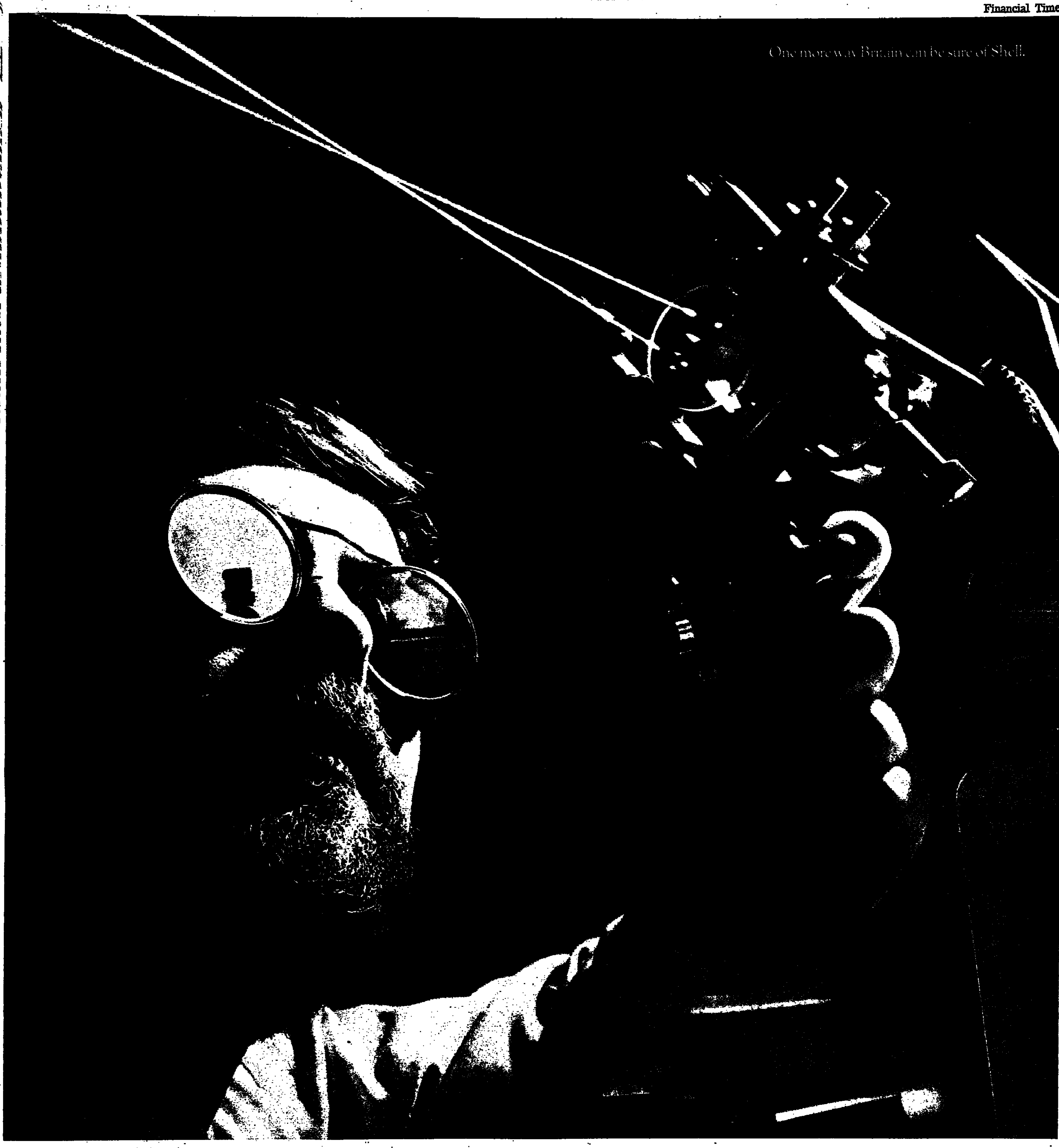
● CHETWYND HADDONS is to handle the \$400,000 launch of World Airways' new scheduled service between Gatwick, Boston, Baltimore and Newark.

Heinz: sales gains plus record budget

HEINZ is to invest a record £25m in marketing support of leading brands over the next 12 months. Roy King, its UK marketing and sales director, said a similar programme, announced in May last year, had resulted in a 10 per cent sales increase over the first ten months and significant share gains in five out of six main categories.

"Last year we held our price inflation to 8.5 per cent," said Mr. King, "well below that of processed foods at 14 per cent. In addition, the recovery of core business volume was helped by product line extensions which established strong consumer franchises without cannibalising existing varieties."

• The advertising budget for the current year exceeds £10m. The future held no fear for brands "managed in the classic tradition—superior quality and heavy above-the-line investment linked to a competitive but premium pricing strategy."



How can we squeeze more miles out of your gallon?

Shell's laser 'eye' reveals some secrets.

Dr. Martin Swords, Shell Scientist, Thornton Research Centre.

"One of the biggest problems in engine design is finding out just what's going on inside while the engine's running.

Engineers have long known that the turbulence of the petrol mixture and gases swirling inside the cylinder has an important effect on performance – but the difficulties of measuring the characteristics of a gas cloud which explodes about every 12 milliseconds, reaches 1500°C and is locked away inside thirty or forty pounds of metal, have proved insurmountable until now.

We are now able to drill holes in an engine cylinder, insert thick quartz windows and punch laser beams through the gas clouds as they mix and burn.

Using this technique we can work out the turbulence and the velocity of the gases. Engineers and scientists can use this data to improve both the cylinder geometry and the chemistry of the fuels.

Since we estimate that this new information could help to bring about fuel economy improvements as great as twenty per cent, it is a development of some consequence.

If you think of the difference such a saving would mean to you, it's easy to see why we think this work is so important."

LOMBARD

Doing away with Fools' Gold

BY ANTHONY HARRIS

EVERY NOW and again something happens to restore your faith in common sense, and very refreshing it is too. This cheerful experience came my way recently where I least expected it—at a gathering of bankers, officials and economists discussing international currencies. The agenda included all the standard technicalities—substitution accounts, currency baskets, the EMS, special facilities of one kind and another, conditionality. The very vocabulary makes one's skull shrink.

And bless their hearts, they threw it all out or, more accurately, brushed it aside as irrelevant. Nobody any longer seems to believe in the crock of paper gold at the end of the rainbow. People wanted to talk about coal and ships and revolutions.

Tremble

The knowledge that he is to be hanged in the morning, as Dr. J. observed, concentrates a man's mind wonderfully, and although it is all very deplorable and humiliating to have to tremble before every OPEC meeting, the oil producers really have done a lot for common sense. Even so, it has taken five years to wake up. Ever since the first OPEC crisis, we have hoped that we could banish uncomfortable realities behind the many formulae which have been developed under the general heading of "recycling," and it might have taken another five years to wake up had it not been for the general political vertigo of the last year.

However, now that the truth has broken through, we are not likely, it can be hoped, to forget it. One banker put the whole dream into a sentence which should be engraved on marble panels and hung in every banking hall. "After the first time round," he remarked, "we had a marvellous time congratulating ourselves on achieving something called recycling, which everyone had thought was going to be very difficult. But in fact we hadn't achieved anything, or done anything beyond our normal business. And if the problem hadn't simply gone away for a time we would soon have realised that we hadn't solved anything either."

The analytic truth behind this fine display of honesty is that the OPEC problem is not a balance of payments problem in any normal sense. The kind of problem which the Bretton Woods agreement and the IMF were designed to solve, and we have subsequently tried to tackle through floating, is essentially a cyclical problem. It cannot by nature cater for a permanent surplus.

In other words, reserves are pieces of paper or metal intended to flow to as well as fro. An economy may for quite a long period need a larger supply of external capital than the private market is eager to supply, when it goes through a period of growth or structural change. It is well worth devising special forms of IOUs which will reflect its needs, and the period over which it is expected to return to balance and beyond. Meanwhile other countries, once large surplus earners, may pass into a phase of deficit in their turn, as we have recently been reminded; they will then cash in IOUs.

Nothing in such a system, however, in any way matches the case of a country like Saudi Arabia, which is producing and earning beyond its need or wish to consume. Reserve assets — IOUs which are designed to be cashed in due course — are irrelevant. Saudi customers are not borrowing in the normal sense, and the country has no foreseeable need for reserves. It wants substitute permanent assets.

Two consequences follow from this. The first is that the situation must be brought under control, for economic as well as strategic reasons: there is no indefinite supply of transferable assets. The second is that banks which intermediate OPEC deposits will want real assets as a counterpart to these liabilities. So banking sense and reality march hand in hand, seeking enthusiastically for real investments—especially energy investments — which will solve both problems.

Hence also a reviving interest in mobilising one real asset of little productive use which the main debtor countries hold in some quantity—gold. The real thing, not the paper variety.

City solicitors take on new work

BUSINESS AND THE COURTS

BY ANN MOORE

THERE IS a new dimension in City solicitors' involvement both in financial work—"we are now grabbing back work from accountants and getting the cream of it"—and in the financing of London's capital market.

The five leading banking firms are considered to be Allen and Overy, Coward Chance, Freshfields, Linklaters and Paines, and Slaughter and May. But other firms such as Norton, Rose, Botterell and Roche, with big shipping interests and a long-standing connection with shipping bankers like Hambros, are deeply involved, especially overseas.

Expansion

With the abolition of exchange controls and the growth of the Eurodollar market overseas business has expanded dramatically. The Bank of England estimates the invisible earnings of City solicitors at £40m a year. Practitioners themselves put the figure at £60m to £70m. Oil, insurance, and the vast claims arising from marine disasters and political upheavals, the syndication of loans abroad, arbitrations involving foreign clients all contribute.

The effects of EEC membership have taken time but are now being felt—in industrial relations and trade disputes, copyrights and trademarks, in distribution, and commodities such as grain. Most significant is EEC competition law, which has "arrived" in the last two or three years and is now a major preoccupation of some firms.

Applications for European patents under the European Patents Convention are made to th European Patent Office in Munich which opened in 1974. Disputes arising from them take time to work through the system, but this year the first hearings will take place. It is too early to tell how this work will develop, but there is likely to be plenty.

In general commercial work the English legal system's "historical head start" in commercial matters is attracting foreign clients. "We offer a saleable commodity." Parties of differing nationalities favour English-language agreements. The English law is an acceptable neutral system in international deals. Traditional London skills in the drafting and preparation of documents offer a happy mean between Continental brevity and American verbosity.

London arbitration is often specified in agreements. Although the delays of the English appeal system have led to a falling-off in recent years, it is believed that the 1979 Arbitration Act, in reducing them, will recapture work from Scandinavia and the International Chamber of Commerce in Paris.

Ten London firms have Paris offices, mostly established in the early 1960s before EEC membership. Of those that do not, most say that the work can be done as well from London—but at least one leading firm said: "We are sorry to have missed the boat when the going was good."

Paris has always been an international law centre, but Brussels is wholly related to the Commission. Nine big firms have offices there, set up in the early 1970s in anticipation of Community membership. Some do little more than advertise a presence. Others are highly developed, with partners experienced in the work of the Commission. Clifford-Turner has an EEC unit within its Brussels office. Some large firms are content to rely on traditional Continental contacts —"We can pick up a phone to any capital in Europe"—but another major partnership is hoping to open in Brussels fairly soon.

Small firms do not have such first-name contacts throughout Europe and some have sought more formalised links. Bates, Wells and Braithwaite, for instance, with three partners in its City office, keeps in touch with Continental work through the Parlex group of lawyers in 10 European cities.

The present New York offices of London solicitors are all fairly recent. The more successful channel work through to London, and provide a base to advise U.S.-based clients on English law and vice versa, especially in oil, banking and insurance matters.

Banking can also make a Far East presence useful. There are several firms in Hong Kong, and at least one in Tokyo. There are also firms which would like to open in Singapore or Malaysia. The value of Middle Eastern offices is more debatable. The most successful formula in the Gulf States seems to be to mix banking, insurance and property with some local work.

There is an air of confidence among City solicitors. Lawyers say they are the last to be affected by the economic situation—and when one recalls that Herbert Smith wound up Rolls-Royce, it does seem that the bread is buttered on both sides. The shipping recession has brought a flood of litigation. When times are hard, people look to their rights. General litigation is booming; so is patent work—Stephenson, Harwood and Bristow, Cooke and Carpmael are involved (on opposite sides) in the huge case between Western Electric and Racal which is billed to last all summer.

Some older solicitors who have been in practice since the 1930s says they have lived through world recessions before and have survived. Younger men are more cautious. "Lawyers are short-sighted animals," remarked one whose own approach belies the dictum. A more senior man confesses to misgivings in the last month or two: "If there is less loan and fund-raising work, there is less work for us."

Another practitioner remarked: "Even in recession money remains a commodity—unless it decamps elsewhere as is happening with insurance. New York is bidding hard for underwriting." American competition is no thought a serious threat but it exists. U.S. firms have offices in London, and their banks, in particular, tend to bring their clients with them.

There is more unease than appears on the surface, and a keen, if concealed, competition. The startling growth of mega-partnerships not only reflects booming business—it admits a need to diversify, to break into new and specialist fields.

Firms such as Coward Chance and Herbert Smith, already have reputation as all-rounders. Others are weak or non-existent in some departments. Some are over-specialised. The race is on to get new work and to spread risk.

The "charmed circle" of shipping, traditionally in the hands of a few, is now breaking up and firms such as Lovell White & King and Allen & Overy are entering the field.

Twenty years ago litigation was "no occupation for a gentleman." The giants have a residual weakness in this field (though Linklaters did act for Kerry Packer against the MCC); but many firms are establishing new departments or strengthening old ones.

Patent boom

The patent specialists have never been busier, but a chilly wind may be blowing up. Big firms are now saying "never to turn a patent case away." Simmons and Simons, Allen and Overy, Freshfields and Clifford-Turner all have new or improved patent departments.

Others are expanding into industrial relations — Lovell, White and King, for instance, are acting for Express Newspapers in their dispute with NATSOPA. "I sometimes wonder," remarked one solicitor, "where it is all going to end."

Kempton focuses on Ginistrelli

RACING

BY DOMINIC WIGAN

GINISTRELLI (USA), displaced as Derby favourite on Monday when it became known that connections had decided to saddle Henbit at Epsom, will be the centre of attraction at Kempton today.

The Warren Place colt bids to make it four victories from five outings in the 1½ miles Predominate Stakes.

It is difficult to know what to make of Charles St. George's Hoist The Flag bay. A $370,000 yearling, Ginistrelli was rumoured to be Henry Cecil's best two-year-old colt from as early as last June. Although his two juvenile successes showed him to be a smart colt in the making, they were not achieved in top-class company and it comes as no surprise when he was officially rated a few pounds behind his supposedly inferior stablemates, Super Asset and Hello Gorgeous in the Free Handicap.

Ginistrelli, whose sire was responsible last year for a yearling sold for $1.6m, lost his unbeaten record in somewhat tame style at Sandown just under a month ago.

Never going as well as either Henbit or Huguenot in the Classic Trial Stakes, he failed to find the necessary pace to challenge that pair in the closing stages. At the line Ginisthelli was 2½ lengths behind the Hern colt who, admittedly, looked to be slightly the more forward.

In his only race since that somewhat disappointing display, Joe Mercer's mount needed to be driven right out in order to get home in the Lingfield Derby Trial.

Although those efforts hardly inspire confidence for this afternoon, recent work suggests that Ginistrelli has come on a good deal and Cecil—not one noted for his optimism—makes no secret of the fact that he expects his colt to oblige.

I hope to see theNewmarket three-year-old , who is rated a considerably brighter Derby prospect by Cecil than Hello Gorgeous, produce his best effort to date and win with some ease from Prince Bee, a colt unlikely to be suited by this course.

KEMPTON

2.00—Ballacorey*
2.30—Veeya**
3.00—Ginistrelli (USA)***
3.30—Good Lassie
4.00—Prince Judger
4.30—Chinese Kung Fu
5.00—Cardinal Flower

TV Radio

BBC 1

†Indicates programme in black and white

6.40-7.55 am Open University (Ultra high frequency only). 9.00 For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill at One 1.45 Mr. Benn. 2.00 You and Me. 2.15 For Schools, Colleges. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 The All New Popeye Show. 4.40 Joey and Redhawk. 5.00 John Craven's Newsround. 5.05 Blue Peter. 5.35 The Wombles.

5.40 News.
5.55 Nationwide (London and South East only).
6.20 Nationwide.
7.00 Tomorrow's World.
7.25 Top of the Pops.
8.05 Taxi.
8.30 That's Life Report.
9.00 News.
9.25 Bull Week.
10.10 A Sense of Place: The Fens.
10.50 Question Time.
11.50 Weather/Regional News.

All Regions as BBC 1 except as follows:

Cymru/Wales — 5.55-6.20 pm Wales Today. 7.00-7.25 Heddiw. 11.50 News and Weather for Wales.

Scotland—12.40-12.45 pm The Scottish News. 5.55-6.20 Reporting Scotland. 10.50 Current Account. 11.20 News and Weather for Scotland.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 11.50 News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Newcastle); Look North-west (Manchester); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

6.40-7.55 am Open University.
11.00 Play School (As BBC 1 3.55 pm).
2.15 pm The Goodwood May Meeting at Kempton.
4.50 Open University.
6.55 Macleod's America.
7.10 Day Out.
7.40 Mid-Evening News.
7.50 Newsweek.
8.25 One Man and his Dog.
9.00 A Question of Guilt.
9.30 Jeremy Taylor.
10.00 Your Life in their Hands.
10.30 Tales from a Long Room.
10.45 Newsnight.
11.30 Rock Goes to College.

LONDON

9.30 am Schools Programmes. 12.00 Gammon and Spinach. 12.10 pm Stepping Stones. 12.30 The Sullivans. 1.00 News plus FT Index. 1.20 Thames News. 1.30 For Maddie with Love. 2.00 After Noon Plus. 2.45 Losing Her. 3.45 Superstar Profile: Liza Minnelli. 4.15 Little House on the Prairie. 5.15 Selwyn.

5.45 News.
6.00 Thames News.
6.30 Help.
6.40 "The Fast Lady," starring James Robertson Justice, Stanley Baxter and Leslie Phillips.
8.30 TV Eye.
9.00 The Nesbitts are Coming.
9.30 Shelley.
10.00 News.
10.30 Inside Business.
11.00 Lou Grant.
12.00 What The Papers Say presented by Chris Dunkley of the Financial Times.
12.15 am Close: Personal choice with Isabel Dean.

All IBA Regions as London except at the following times:

ANGLIA

1.25 pm Anglia News. 2.45 Houseparty. 3.15 Chopper One. 3.45 Looks Familiar. 4.15 The Bubbles. 4.25 Rocket Robin Hood. 4.45 The Next Week Show. 5.15 Emmerdale Farm. 6.00 About Anglia. 6.20 Arena. 6.35 Crossroads. 7.00 TV Movie: "Dead Man on the Run." 10.30 World Team Speedway. 11.00 Luke's Kingdom. 12.00 Themes.

ATV

12.30 pm Gardening Today. 1.20 ATV Newsdesk. 3.45 Looks Familiar. 4.15 Windows. 4.20 Fangface. 4.50 Salvage 1. 6.00 ATV Today. 6.35 Crossroads. 7.00 Emmerdale Farm. 7.30 Charlie's Angels. 10.30 Format V. 11.10 ATV Newsdesk. 11.15 Kate Loves A Mystery.

BORDER

1.20 pm Border News. 2.00 Houseparty. 3.45 Looks Familiar. 4.15 Thursday Matinee. 6.00 Lookaround Thursdays. 7.00 Emmerdale Farm. 7.30 The Streets of San Francisco. 10.30 Soap. 11.00 The Thursday Movie. 12.40 am Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News, What's On Where, and Weather. 3.45 Looks Familiar. 5.15 Emmerdale Farm. 6.00 Report At Six. 7.00 Frontiers of Discovery. 7.30 The Incredible Hulk. 10.28 Channel Late News. 10.32 Soap. 11.05 Country Comes West. †11.25 The Horror Film: "First Man Into Space." 12.45 am News and Weather in French.

GRAMPIAN

9.25 am First Thing. 1.20 pm North News. 3.34 Looks Familiar. 6.00 North Tonight and Area Weather Forecast. 7.00 How's Your Father ? 7.30 Charlie's Angels. 10.30 Reflections. 10.35 Cover to Cover. 11.05 Soap. 11.35 Have Girls Will Travel. 12.30 am North Headlines.

GRANADA

1.20 pm Granada Reports. 3.45 Loks Familiar. 4.10 The Undersea Adventures of Captain Nemo. 4.15 Salvage 1. 5.15 Square One. 6.00 Granada Reports. 6.30 Emmerdale Farm. 7.00 Columbo. 10.30 Celebration. 11.00 Mannix. 11.55 What The Papers Say.

HTV

12.30 pm Money-Go-Round. 1.20 Report West Headlines. 3.45 Food, Wine and Friends. 4.15 Spiderman. 4.45 Wyatt's Place. 5.15 Jobline Newsdesk. 5.20 Crossroads. 6.00 Report West. 6.30 Happy Days. 7.00 Emmerdale Farm. 7.30 The Incredible Hulk. 10.35 Gallery. 11.05 Luke's Kingdom.

HTV Cymru/Wales—As HTV West/HTV General Service except: 9.52-10.07 am Cymru A'r Mor. 12.00-12.10 pm Ffalabalam. 1.20 Penawdau Newyddion Y Dydd. 1.25-1.30 Report Wales Headlines. 4.45 Sêr. 5.15-5.20 Cartoontime. 6.00 Y Dydd. 6.15-6.30 Report Wales. 10.35-11.05 The English Garden.

SCOTTISH

12.30 pm Gardening Today. 1.20 News and Road and Weather. 3.45 Looks Familiar. 4.15 Larry The Lamb. 4.25 Salvage 1. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Report. 7.00 Take The High Road. 7.30 The Incredible Hulk. 10.35 Preview—The Glory Boy. 11.00 The Practice. 11.30 Late Call. 11.35 Paris.

SOUTHERN

1.20 pm Southern News. 2.45 Houseparty. 3.15 How's Your Father ? 3.45 Looks Familiar. 4.15 Tarzan. 5.10 Mr. Magoo Cartoon. 5.20 Crossroads. 6.00 Day By Day. 6.30 University Challenge. 7.00 Emmerdale Farm. 7.30 A Man Called Sloane. 10.35 Your Westminster. 11.05 Charles Endell Esquire. 12.05 am What The Papers Say.

TYNE TEES

9.20 am The Good Word, followed by North East News. 1.20 pm North East News and Lookaround. 3.45 Looks Familiar. 4.15 The Lost Islands. 4.45 The Life and Times of Grizzly Adams. 6.00 North East News. 6.02 Crossroads. 6.25 Northern Life. 7.00 Emmerdale Farm. 7.30 The Streets of San Francisco. 10.30 Northern Scene. 11.05 Soap. 11.35 Check It Out. 12.00 Police Surgeon. 12.30 am Epilogue.

ULSTER

1.20 pm Lunchtime. 3.45 Looks Familiar. 4.13 Ulster News Headlines. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 6.50 Police Six. 7.00 Emmerdale Farm. 7.30 The Incredible Hulk. 10.29 Ulster Weather. 10.30 Counterpoint. 11.15 Family. 12.15 am Bedtime.

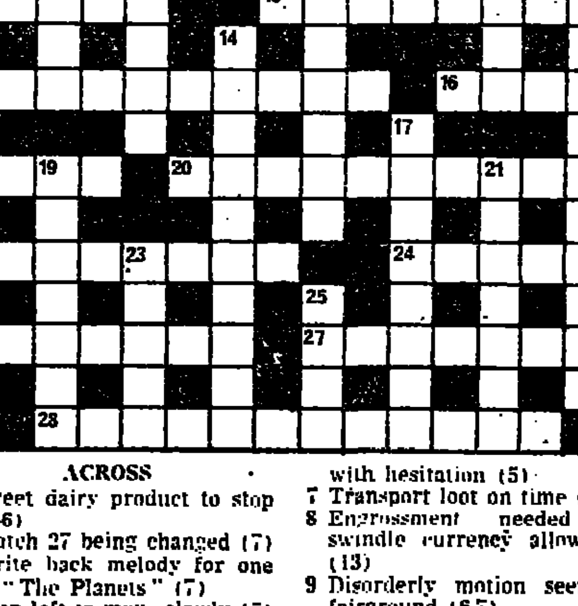
WESTWARD

1.20 pm Westward News Headlines. 3.45 Looks Familiar 4.15 Gus Honeybun's Birthdays. 5.15 Emmerdale Farm. 6.00 Westward Diary. 7.00 Preview West. 7.30 The Incredible Hulk. 10.32 Westward Late News. 10.36 Soap. 11.05 Politics West. †11.25 The Horror Film: "First Man Into Space." 12.45 am Faith For Life. 12.50 West Country Weather and Shipping Forecast.

YORKSHIRE

12.30 pm The Allan Stewart Tapes. 1.20 Calendar News. 3.45 Looks Familiar. 4.15 The Woody Woodpecker Show. 4.45 Salvage 1. 6.00 Calendar. 7.00 Emmerdale Farm. 7.30 Hawaii Five-O. 10.30 Music At Harewood. 11.00 Fantasy Island. 12.00 Superstar Profile.

F.T. CROSSWORD PUZZLE No. 4,278



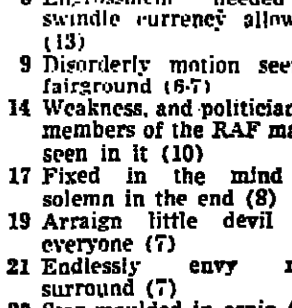
ACROSS

1 Sweet dairy product to stop (6-6)
10 Watch 27 being changed (7)
11 Write back melody for one of "The Planets" (7)
12 Crop left to move slowly (5)
13 Enter car awkwardly supplied by renegade (8)
15 Lowest unit of gas, gas in home (10)
16 Clothing that motorists get into (4)
18 Bird to banter (4)
20 Sale on dock arranged for the accommodation of first-class passengers (6-4)
22 Records attempt to make ornamental textile (8)
24 Five in four make merry (5)
26 Work a course of stone (7)
27 Opposite aspect from 10 (7)
28 Hearing about the general tendency is agonising (5-7)

DOWN

2 Parvenu lifts pastry (7)
3 Sensational story or article about small brook going to head of river (8)
4 Drum used in Scottish dance (4)
5 Study translation and change from one use to another (10)
6 Come to a point and broach with hesitation (5)
7 Transport loot on time (7)
8 Engrossment needed to swindle currency allowance (13)
9 Disorderly motion seen in fairground (6-7)
14 Weakness, and politician and members of the RAF may be seen in it (10)
17 Fixed in the mind but solemn in the end (8)
19 Arraign little devil over everyone (7)
21 Endlessly envy metal surround (7)
23 Star moulded in aspic (5)
25 No score to be fond of (4)

Solution to Puzzle No. 4,277



Radio Wavelengths

1 1089kHz/275m 1053kHz/285m
2 693kHz/433m 909kHz/330m & 88-91vhf stereo
3 1215kHz/247m & 90-92.5vhf stereo
4 200kHz/1500m & 92-95vhf

BBC Radio London: 1458kHz, 206m & 94.9vhf

Capital Radio: London Broadcasting: 1151kHz, 261m & 97.3vhf 1548kHz 194m & 95.8vhf

RADIO 1

(s) Stereophonic broadcast.
‡ Medium wave.

5.00 am As Radio 2. 7.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Andy Peebles. 4.31 Kid Jensen. 7.00 Talkabout: Arts Minister Norman St. John Stevas quizzed on the theatre and arts. 8.00 Mike Read. 9.50 Newsbeat. 10.00 John Peel (s). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.03 Ray Moore (s). 7.32 Terry Wogan (s). 10.03 Jimmy Young (s). 12.03 pm David Hamilton (s). 2.03 Ed Stewart's Request Show (s). 4.03 Much More Music (s). 5.00 News. 5.05 Waggoners' Walk. 5.20 Much More Music (s). 6.03 John Dunn (s). 8.02 Country Club (s). 9.02 Alan Dell with the Big Band Sound (s). 9.55 Sports Desk. 10.02 Oh Mother! (s). 10.30 Star Sound Extra (s). 11.02 Brian Matthew with Round Midnight, including 12.00 News. 2.02-5.00 am You and the Night and the Music (s).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Overture (s). 8.00 News. 8.05 Morning Concert (s). 9.00 News. 9.05 This Week's Composer: Tomkins (s). 9.35 Schumann and Shostakovich chamber music concert (s). 10.30 Kenneth Leighton: Mass, Op. 44 (s). 11.25 Chicago Symphony Orchestra: Concert, part 1 (s). 12.05 pm Interval Reading. 12.15 Concert, part 2. 1.00 News. 1.05 Bradford Midday Concert (s). 2.00 Piano Music and Wind Trios (s). 2.55 Northern Sinfonia Orchestra (s). 3.55 Viola and Piano Sonatas (s). 4.55 News. 5.00 Mainly for Pleasure (s) (‡ and mono only from 6.20). 7.00 Talking About Music: Antony Hopkins (s). 7.30 As Radio 4. 9.30 Hunting the Cannibals (talk by Professor Ioan Lewis). 9.50 Fauré's String Quartet in E minor (s). 10.15 Book, Music and Lyrics (s). 11.00 News. 11.05-11.15 Closedown Music (s).

VHF Only—6.00-7.00 am and 6.20-7.00 pm Open University, and for Scottish students only 12.00-1.00 am.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today, including 6.45 Prayer for the Day. 7.00, 8.00 Today's News. 7.30, 8.30 News Headlines. 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Checkpoint. 9.30 The Living World. 10.00 News. 10.02 Folk with Tales. 10.30 Daily Service. 10.45 Story Time. 11.00 News. 11.05 File on 4. 11.50 A Certain Style. 12.00 News. 12.02 pm You and Yours. 12.27 The Jason Explanation of the Family (s). 12.55 Weather; programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Listen with Mother. 3.15 Afternoon Theatre (s). 4.15 Any Answers? 4.45 Short Story. 5.00 PM News magazine. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Brain of Britain 1980 (s). 7.00 News. 7.05 The Archers. 7.20 Time for Verse. 7.30 Gala Performance: Part 1 (s). 8.20 Chicken Soup and Hard Times: The Jewish East End experience. 8.40 Gala Performance: Part 2 (s). 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 10.03 The Robbie Vincent Telephone Programme. 1.03 pm London Live. 4.30 London News Desk. 5.35 Look, Stop, Listen. 7.03 Black Londoners. 8.00 Question Time from the House of Commons. 9.00-5.00 am Join Radio 2.

London Broadcasting

6.00 AM with Bob Holness and Des Fahy, including interview with Molly Parkin. 10.00 Brian Hayes. 12.00 LBC Reports. 3.00 pm After Eight—Therese Birch. 9.00 Mike Dickin—Nightline. 12.00 LBC Reports Midnight. 1.00 am Night Extra. 5.00 Morning Music.

Capital Radio

6.00 am Graham Dene's Breakfast Show (s). 9.00 Michael Aspel (s). 12.00 Dave Cash (s). 1.00 London Today First Report (s). 1.10 Dave Cash (continued). 3.00 Roger Scot (s). 7.00 London Today (s). 7.20 Lord George-Brown's Capital Commentary (s). 7.30 Capital Playhouse—"Androcles and the Lion" by George Bernard Shaw (s). 9.00 Your Mother Wouldn't Like It (s). 11.00 Tony Myatt's Late Show (s). 2.00 am Night Flight (s).

هكذا من الأصل

FINANCIAL TIMES SURVEY

STEEL STOCKHOLDING

During the last year, steel stockholders in Britain have been increasing their penetration of the UK market. The recent three-month steel strike accelerated that trend. Improved services to customers is an important factor in this growth and the reputation of stockholders among steel-users has never been higher.

CONTENTS

Improved services win new customers

INTRODUCTION

ROY HODSON

WHEREVER in the world steel is used for sophisticated industrial production, the growth of the steel stockholding trade in the last 20 years has been sustained and occasionally spectacular.

No mystery attaches to that trend. The stockholders have succeeded because they sell a service which industrial customers increasingly find worth buying. Stockholding warehouses (or steel service centres in the United States), pre-process steel to customers' needs with the minimum of waste, deliver it as required, and enable industrial plants to hold down their steel stock inventories to low levels.

Stockholders have proved they can do all that without charging customers unacceptable premiums above the prices charged for steel delivered from the mills by the steelmakers themselves. In order to survive, stockholders have had to learn how to handle steel stocks more efficiently than the general level of expertise in manufacturing industry. Essentially, they are selling that special skill as the wrapper for each parcel of steel they deliver.

The graph with this article shows how British steel stockholders have built up their share of the British market in the products they handle. Some heavy steels and special trades such as colliery arches continue to be available only through the steel mills. But the vast majority of forms of strip products and long products are now handled by stockholders as well as the mills.

Even before the three-month steel strike which crippled British Steel for the first quarter of this year, and at times embroiled the private sector of British steelmaking, *the stockholders were accelerating their penetration of the British market. Their share rose from 35.7 per cent in 1978* to a higher level estimated by the National Association of *Steel Stockholders to be nearly* 40 per cent during 1979.

Key factor

Improved service to customers was clearly a factor in that growth. Another reason was that stockholders were *retaining their business while* steel orders placed with the mills in Britain were falling *off because of industrial recession* and competition from imports. A third reason was that the *high cost of borrowing* money was persuading more and more manufacturing companies to *run down their own* steel stocks and rely to a greater degree upon steel *stockholders.*

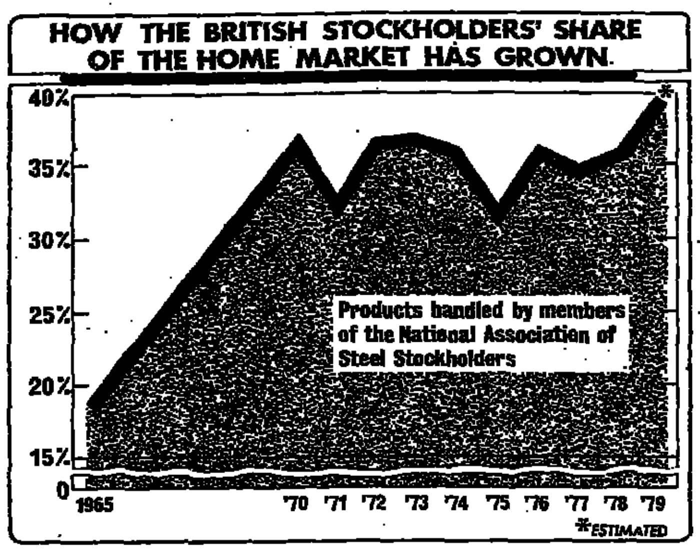
The strike threw all calculations about market shares and *prospects for the steel market* into the melting pot in Britain.

British Steel is having a tough fight to win back *customers and* to regain tonnages sold to the home market to the pre-strike *levels. A number of steel-using* industries which switched to imports during the strike are *continuing to purchase abroad. Some are doing it as an insurance* against future disruptions to their steel supplies. Others *like the quality and the service* they are receiving with their imports.

The stockholders find themselves in the anomalous position of, on the one hand encouraging the restoration of British Steel's fortunes, and, on the other, handling more foreign steel to supply their customers' needs than was usual before the strike took place.

But, while the stockholders perform that balancing act, they are also gratified to discover tht their reputation with customers has never been higher than it is today. Their ability to continue supplying steel during the strike, and the quality of the service they offered, has won them many new customers in Britain who previously dealt direct with the steel mills.

For the rest of this year, *the* stockholders are likely to increase their home market *share to between 43 per cent* and 45 per cent—an all-time record. Whether that will be a *permanent gain will depend* upon the energy with which British Steel fights back into the *market. But a fair reading of* the market at this moment is that the stockholders are likely *to hold on to* several extra



percentage points of market share permanently, as a direct result of the steel strike.

Interest rates

Looking ahead perhaps the greatest single factor that will enable steel stockholders to win new business in Europe and in *North America is the trend* towards higher interest rates than industry has been used to in the past.

Accountants are putting new pressure on buyers and works *director to reduce* their inventories of raw materials and partially completed pro*ducts to minimum levels to save* financing charges.

The stockholders are benfit*ting already from that financial* squeeze upon some of the lazier ways that have been practiced *in manufacturing industry.*

Companies are showing a new interest in buying ready-cut steel from the stockholders for delivery in the precise quantities their machines require at the precise time it is required.

The concept of stockholding being developed into a network of true steel service centres for British industry has always been dear to the heart of many of the most go-ahead people in the stockholding trade. The fact that, following the strike, stockholders are more positively identified by customers than ever before is giving them a special opportunity to pursue service centre ideals.

When interest rates begin to fall a number of British stockholding companies can be expected to start new investment rounds in steel processing equipment to break down the bulk steel they buy-in and tailor it to the needs of individual customers. Further market development by stockholders is likely to depend upon their ability to become the first manufacturing stage for the companies they serve.

Long way to go

There is nothing startlingly new about the steel service centre concept. A small number of the most active stockholding businesses have been pursuing it for years. But the stockholdin gtrade still has a long way to go in Britain before all the medium-sized companies and a fair proportion of the smaller companies can fairly claim to be true steel service centres.

Perhaps the National Association of Steel Stockholders will be able to give them a lead. The association is currently in a more active mood than for many years past and is looking *for ways to develop the industry* it serves.

A touchy question—but one that is, *nevertheless, central to* a stockholding survey—is the form and scope of the future *relationship between the steel* stockholding companies in Britain and the home steel *producers.*

Until the strike, the stockholders had supported a strategy of buying from the British Steel Corporation whenever possible in preference to foreign suppliers on the basis that a strong British steel industry was also a fundamental requirement for a strong stockholding industry.

Without doubt, attitudes among the stockholders have changed during the *strike and* the market chaos following it Stockholders are talking openly now about new *circumstances* requiring new attitudes. The likely pattern is that British *stockholders will handle* a greater percentage of foreign steel in the future than they *were prepared to handle before* the strike, and that they will be less inclined to give British *Steel the automatic priorities* it so often enjoyed in the market place before the strike.

A difficult year lies ahead for the British steel market. Consumption of steel by British industry is expected to be at least 6 per cent below the level of 1979. Generally, stockholders are budgetting to sell less while boosting their market shares against the mills and direct imports.

Investment

The biggest stockholders—and a *remarkably small handful* hold half the British market—will be able to improve their service to customers and increase their dominance of the business if they are prepared to invest new capital and keep up their sales momentum. The smallest companies can expect to continue to handle the strictly local trade they are geared to serve without too much competition from others.

But a number of medium-sized companies will find themselves in a high risk situation falling, as they do, between the two firmly-fixed asymtote of the trade.

More mergers and take-overs are likely. They will mostly be initiated by stronger companies within the industry. For several years now, the return upon capital in the stockholding industry has been in single percentage figures and so low as to deter other secors of British industry from moving into the business.

Mr. Ian MacGregor, who takes over as chairman of British Steel in July, can be expected to set his own stamp upon the Corporation's strategy and may have some surprises in store which will affect steel customers and the stockholders.

Fundamental changes are on the way

PROGRESS IN BRITAIN

ROY HODSON

THE PATTERN and style of steelmaking in Britain in the 1980s is going to be very different from the plans and forecasts being made until quite late in the 1970s. Those fundamental changes will, in turn, have a strong impact upon the British steel stockholding industryl and already are posing both challenges and opportunities.

When the major part of the British steel industry was *nationalised in 1967, the intention* was to take virtually all bulk iron and steelmaking into *public ownership. The private* sector was to "wither on the vine," in the words or one contemporary Government spokesman.

The private sector had been expected to consolidate upon its 10 per cent share of liquid steelmaking and to invest downstream in processing steel and into the frontiers of engineering.

Instead, the private sector elected to employ modern steelmaking techniques and to expand its influence both downstream and up-stream. While the special steels companies invested in the production of moer sophisticated steel pro*ducts a new round of investment* in bulk steel making took place with the so-called mini-mills. *The private sector equipped* itself to fight British Steel in the market place upon ground *that the corporation at first* regarded as wholly its own.

The upshot of private sector vigour is that today it has about 20 per cent of Britain's steelmaking capacity and the percentage is sure to be even higher before long as British Steel pursues its slimming-down plans.

Thus, the steel stockholders in Britain have found an ever-widening selection of common steels and speciality steels available for their service centre operations from the private steel sector whereas in the late 1960s they were planning a future based largely upon British Steel and imports.

Members of the National Association of Steel Stockholders, which represent more than nine-tenths of the stockholding industry in Britain, have never looked for a fight with British Steel, despite the natural leanings of most NASS members towards private sector activity. They have acknowledged until recntly that British Steel must provide the bulk of the supplies they handle.

But now the very scale of the British Steel Corporation's retrenchment problem is causing stockholders to think anew about that basic policy of having a dominant supplier in the public sector steel industry.

Modest plans

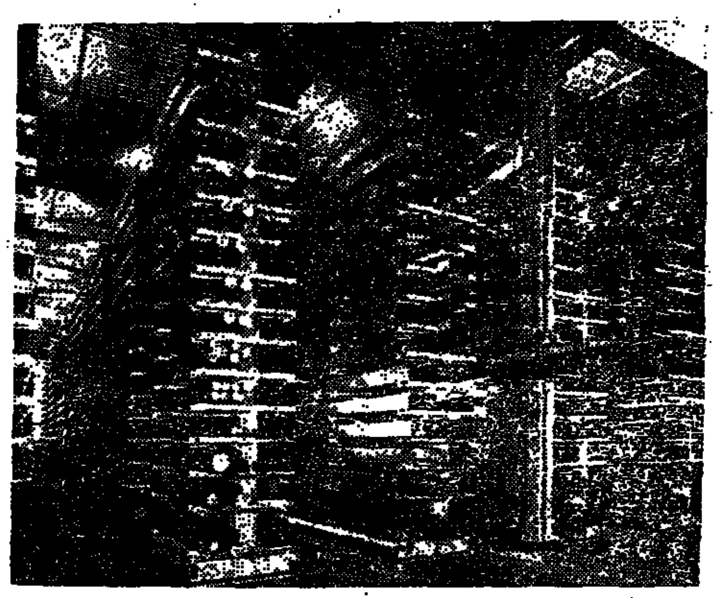
British Steel had intended to build up to a steelmaking capacity of 30m tonnes of liquid steel a year or more during the 1980s. Such has the heady scale of investment planning in the early 1970s. A large part of the job of Sir Charles Villiers, the retiring chairman, has been persuading his colleagues and the politicians to jettison those aspirations and replace them with more modest plans tailored to fit the steel markets that will be available at home and abroad.

The corporation is now undergoing the biggest reappraisal of its 13 year life. Basically the parameters have been set during Sir Charles Villiers' chairmanship. Mr. Ian MacGregor, who takes over in July, can be expected, however, to set his own stamp upon British Steel strategy and may have some surprises in store which will effect steel customers and the stockholders.

British Steel's basic policy at the time of writing is to cut back its bulk steelmaking capacity from 21.5m tonnes a year to only 15m tonnes a year. In addition to that, there will be 4m to 5m annual tonnes of unmanned steelmaking capacity available which, it is claimed, could be brought into production quickly and cheaply if new upturns in market forecasts ever justified employing it.

Manpower cuts are intended *to be heavy to restore the corporation to a competitive position interms of steel output per man ocmpared with other big* international steelmakers. The corporation is reducing its work*force engaged in iron- and steel*making from 150,000 to around 100,000.

The pressures upon the corporation are most severe in the flat-rolled products business where world over-capacity is severe and products are being traded freely across the borders at low prices. British Steel had already lost nearly half its flat products market to imports in the 1970s because of inability to



Steel stockholders in Britain have found an ever-widening selection of common and speciality available from the private steel sector

deliver, and quality problems. Those difficulties were resolved and the corporation started to fight back for its traditional flat products business only to see imports allowed a free run at the British market once again during the three-months steel strike. It has been a disheartening experience for British Steel's salesmen.

Mr. MacGregor may have some novel ideas of his own about restoring the corporation's fortunes in flat products. Until he does devise something new it is clear the stockholders are going to be handling a bigger proportion of imports than they were handling in the months immediately preceding the strike.

Another clue to Mr. MacGregor's thinking about British Steel's market role came when he discussed the possibility of the corporation moving further into the *main preserve* of the private sector—speciality steels. The high added value of *those products is, of course,* attractive to stelmeakers. If such a switch is made, stockholders will find themselves with new choices to be made about their sources of supply.

Britain will have a well-equipped steel industry in the 1980s and the 1990s following the private sector's vigorous investment and the over-ambitious investment of the British Steel Corporation which has led to its present financial troubles.

That total investment (private and public) in up-to-date plant should be more than enough to serve the British market if it is worked competitive at international manning levels.

But the style of internaional trading—and of houman nture —is that companies and idivi*duals will continue to inport* quantities of steel into Btain to gain price advantges, quality advantages, or siply to have alternative source to keep the home producers on their toes.

Stockholders, having ben forced by the events of he last few years to deal nre heavily in imported steels, an be expected to keep tlse alternative supply lines opn both for the health of their on *businesses and for the heah* of their customers.

+1,150 +...1,150 ... 1,21

Perhaps the best hope for t: domestic steelmakers regainig a stronger grip upon the hon market with the co-operation ? stockholders is some blurrig of the edges between priva: and public sector steel produ tion.

The current mood amon British Steel top men is a encourage linkages wherevr possible. *The talks between BS* and GKN about the possib: rationalisation of rod and ba production are a case in poin But there are many other area of materials supplies, of pr duction, and of marketing, i which private and public sector can, given the will, co-operat in future to provide a joint anc better service to customers.

Some public sector steelmak ing may eventually be taker over by private companies. Th recent interest of Lonrho in th Shotton plant is a pointer t the sort of thing that could hap pen. Mr. MacGregor may b tempted also to examine th possibility of shared production at the profitable finishing end of the steelmaking cycle wher priate and public sectors in harness could make fuller use of facilities available in Britain.

STEEL STOCKHOLDING III

Opportunities in the Third World

THE AIR *of perpetual crisis* that hangs about the British, European and United States' steel industries should not be taken as a true indication of what is happening in the world-wide industry.

The truth is that steelmaking is continuing to show fast growth in many of the developing nations and the new industrialised nations of the world. It is suffering most in the older industrialised nations where low-cost imports are competing—and playing havoc—with high-cost production.

After the effects of the British steel strike have been properly assessed, consumption of steel in Britain in 1980 could fall by anything between 7 per cent and 17 per cent below the levels *of the previous year*. That market decline will be caused, in part, by the way British *industrialists* have gobbled up their steel stocks and do not intend to replace them at former levels. In part, too, it will be the result of industrial recession.

The International Iron and Steel Institute, meeting in Singapore, recently also heard of the problems of the other EEC steelmakers. They collectively expect demand in hteir home markets to decline by near 7 per cent this year.

Expansion rate

The world picture looks less depressing with world economic recession only expected to force a 4 per cent decline in steel demand. In real terms that means that a number of the young steelmaking countries will continue to expand at rates of 10 per cent a year or more.

Steel stockholders can no longer insulate themselves from world steel trends to rely upon home mills for their steel and home markets for their custom.

British stockholders are selling more imported steel than ever before. Their business to a large degree depends upon their abilities to purchase from the right foreign producers at the most advantageous prices with some confidence that delivery will be satisfactory.

They also have to compete against direct imports. That sort of competition will be more fierce in the aftermath of the strike. A number of traditional foreign suppliers of steel into the British market have stepped up their operations based upon the added business they won during the three months when British Steel was out of production.

The world steelmaking scene is also of importance to those stockholders who have reached such a size that they are interested in trading abroad as well as in the home market. The trend in British stockholding is still towards more rationalisation into a smaller number of groupings. That process in a largely static market does not leave a great deal of elbow room for the entrepreneurs. The most active companies will continue to size-up opportunities for buying into or creating steel stockholding opportunities in other countries where their expertise can be turned into capital.

The western European steel industry, considered as a whole, is in a particularly interesting stage of transition. That has ben helped by the stabilisation provided to markets and the degree of portection stemming from the EEC steel scheme of Viscount Etienne Davignon, European Industrial Commissioner.

Within 18 countries throughout western Europe, there are nearly 400 steel plans with a raw steel capacity of 256m tonnes a year.

The *influential* American Institute for Iron and Steel Studies considers that the dynamism in West European steelmaking will be sufficient for the industry to regain its world pre-eminence some time in the 1980s. The institute calls the European industry "the largest and most diverse steel industry of any region of the world."

The power and resourcefulness of European steelmaking must also be equated with the market for steel provided by the highly industrial European nations. The whole picture adds up to one of fascinating new opportunities for companies expert in steel stockholding and trading. Companies already strong in stockholding and *anxious to expand* as economic circumstances permit are giving European opportunities a high priority in their planning.

Clearly, also, there will he greater inter-trading in future steel products between the Western nations. European sales into Britain have risen as a result of the British Steel strike to probably some 30 per cent of the market. They are unlikely to decline again to the former levels of 20-25 per cent. West Germany and France are already accustomed to importing up to half their steel.

Where will the new opportunities for steel sales occur in product terms? An IISI survey recently offered some interesting ideas to ponder upon. Among the products suggestel for the future are: underwater weldable steel, fire resistant steel, tapered round bars, "super soft" bars, and internally coated pipe.

Even if such products do not appear *on stockholders* shelves during the next 10 years in precisely those forms, it is certain, nevertheless, that other equally exotic products will be devised, *manufactured* and sold by steel companies somewhere in the western world, and that British stockholders will want to be able to offer them to customers.

More than 30 world steelmakers helped the IISI in its survey. Between them they have introduced more than 300 new steel products into markets in the last two years. Sixty per cent of those products were in the area of flat products.

In the hot and cold rolled sheet sector, the survey shows that the steel industry generally is concentrating upon the development of higher strength sheet to permit cost effective weight reduction in sheet-using products. *That trend has obvious* implications for stockholders considering new capital investment in sheet *handling* and cutting equipment.

Stockholders will buy more of their steel from the developing nations of the world in future. Equipped with the most modern steel plants and often well provided with local sources of good ore and cheap energy, together with cheap labour, those plants are fast eroding the traditional market shares of the older steel industries.

It will only be a matter of time before shortcomings in quality and specifications by the newer steel producers are eliminated.

Flat products

Demand for flat products is unlikely to show dramatic increases in tonnage terms during the next few years. The slump in the automobile industry and energy saving will see to that. But the flat products sold will *have much higher value to* weight ratios than at present *as manufacturers* insist upon using lighter steel to perform the same function.

Increasingly, stockholders expect to be involved in coated sheet in one form or another. *A big international trade in the* various coated products is expected to develop.

Future stockholding trading in Britain will also be much influenced by the relative performances of the private and the public British steelmaking sectors. During the 13 years since the nationalisation of steel, the *private* sector companies have more than doubled their share of liquid steelmaking in Britain to above 20 per cent. Is may be that their upward progerss will continue. British Steel's direction of movement at present is definitely towards a lower level of steelmaking.

At his first Press conference, recently, Mr. Ian MacGregor, the chairman-elect of British Steel, said he will be interested in the corporation's prospects for moving "up market" into alloy and special steels even if such a shift is at the expense of the corporation's current activities in comon steelmaking. If such a policy shift did occur, it would cause new friction between the public and private steelmaking sectors in Britain. It would also *force many steel stockholders* to re-think their purchasing strategies.

WORLD STEEL MARKETS

ROY HODSON

Coated coils await despatch from the stocking bays of BSC's £45m Coatings Two complex at Shotton, Deeside

Association fulfils key role for the trade

DEVELOPMENTS AT N.A.S.S.

ROY HODSON

THE NATIONAL Association of Steel Stockholders has emerged from the national steel strike as a closer-knit and more effective organisation for *promoting steel trading and serving* the interests of the steel-using industries.

"In my view it has reaffirmed itself as an authoritative body, fuly capable of acting on behalf of the trade," said the chairman of one big stockholding company as he looked back at the difficult days of the strike.

This view appears to reflect the feelings of the membership at large. Stockholders are generally expecting that after NASS moves its headquarters to Birmingham, later this year, it will play an even more active role as a central co-ordinating body for the trade. The association should also be able to do a great deal to spear-head the stockholders' drive to build *their share of the* British home market towards the magic but elusive 50 per cent level.

The current level of trading they are enjoying is between 40 per cent and 45 per cent share of a thin and still declining home market. Whether their share will consolidate at that figure, decline, or rise by further percentage points, will depend upon a bewildering array of inter-related factors concerning the future of steelmaking and steel trading in Britain.

The most important strategic question facing the British stockholders is their future relationship with the British Steel Corporation. Many stockholding companies argue that the corporation has let them down by failing ot deliver, and by maintaining home market mill prices at differentials above *ruling* European prices.

During the international steel crisis of the past three years, the *differential* has been as high as between 10 per cent and 20 per cent at times. At present, it is in the narrow range of 8 per cent to 10 per cent. But it is stil la sufficiently large differential to irk stockholders who could save by purchasing more steel from abroad.

The traditional stance taken by NASS is that a strong British stockholding industry needs the backing of a strong British steel industry. Now, after the searing experience of the strike, stockholders are not so sure about that.

There is a groundswell of discussion among stockholders about the extent to which they should support British Steel in the future. Some companies are already openly saying they will continue to maintain the new contacts they made during the strike with *Continental* mills.

BSC's hopes

As far as British Steel is concerned, much will depend upon its ability to persuade individual stockholding companies to try *their luck with the old firm once* again and forget the trials and tribulations of recent months.

Another question that NASS must collectively examine if it is to be truly representative of thet industry is the present make-up of the stockholding industry. The single biggest company is now GKN Steelstock withh between 20 per cent and 22 per cent of the market. In fact, a small number of companies hold more than half the trade.

The second biggest company in the busines sis British Steel's own investment in stockholding, the British Steel Service Centres group. BSCC suffered much more than the other companies from picketing during the strike and a combination of that, together *with supply difficulties*, has reduced its market share, at letast temporarily. It is thought to have about 11 per cent of the market.

There was a time when stockholders were alarmed about British Steel's intentions to establish *a* major presence *in* the stockholding market. How far would BSC go? But in the current climate there seems little likelihood of the British Steel Service Centres supplying more than about 15 per cent of the market. And for some time they will be trading below that gfiure.

Shortage of cash within BSC is likely to prohibit BSCC buying any more steel stockholding companies to balance the spread of its business, however desirable such acquisitions may appear.

There will be more mergers and acquisitions in the stockholding industry, however. Some of the companies that sold o their stocks during the steel strike are preferring *the feel* of liquid cash to unsold steel on their shelves and will be prepared to bargain. The growth of a few companies in the industry in the next two years is thus most lekly to take place by buying market share through mergers and outright company purchases.

Not a lot of growth is likely to take place by new capital investment in premises while money is dear. However, there is an exception to that trend. The Welback Group is redeveloping five acres of its Thames side site and wharf at Barking with a 74,000-ft warehouse scheme. The first phase of the redevelopment is costing some £2m and will provide Welbeck with one of the best-equipped *specialist steel stockholding* installations in the south of England.

...The next phase of the Welbeck development is now under way as well. It will include new processing equipment for breaking-down and handling bulk steel for delivery to customers. Similar investment projects on better and more sophisticated steel processing equipment in existing warehouses are certain to be undertaken by some of the other stockholders if interest rates fall in an attempt to increase business by oering better service to customers.

British stockholders could have been badly caught financially by the strike, had it not been for prompt recognition of their plight by the Government and action by the Chancellor in the Budget.

Stocks in most of the stockholders' warehouses were being run down so quickly during the three months of the strike that many companies faced big tax bills on the cash proceeds of the de-stocking.

The Budget include da stock relief scheme under which earlier relief (which would have amounted for some members of NASS to seven figures) can be deferred for a year. The stockholders expect that stocks will be brought back into balance during that time and that further transitional arrangemens can be made, if necessary, through the representations of the NASS economics and taxation committee.

There are some indications that the stock relief scheme will be replaced with a new system more equitable towards businesses such as steel stockholding which are striving to increase the rate at which they turn over stocks in pursuit of business efficiency.

Sources of supply and old loyalties are two matters which will concern stockholders acutely in the coming year. It is not just a matter of making a comparison between steel qualities supplied from home mills and foreign mills; or of the ruling differentials in price levels; or of security and continuity of supplies into stockholding warehouse.

Deep dilemma

The stockholders' dilemma goes deeper than any of those matters, important though they are individually. Many British and European steelmakers have sustained losses during the depression in demand for steel. Some such as British Steel have suffered historically heavy losses—the corporation is chalking up a deficit of some £2bn over six years.

The stockholding business is fundamentally a service industry devoted to buying steel in bulk and servicing industry with supplies at short notice. It has the role of a middleman between steel mills and steel-using industries. The one thing the stockholders dare not do is to so conduct their business as to follow many of the steelmakers into a downward spiral of heavy losses. A service industry that cannot make a profit does not deserve to exist. The point is well taken by British stockholders.

Orders met despite difficulties

TRANSPORT POLICIES

PETER CARTWRIGHT

THE RECENT run of national strikes—lorry drivers, engineers and steel workers—has once again tested the ingenuity and efficiency of the distribution organisation of stockholders. The potential for disrupting the close, but delicate relationship between supplier and customer was enormous. It is an immense tribute to the general body of stockholders that they are emerging from the steel strike with even stronger bonds with their customers than before.

It could so easily have been otherwise. The raison d'etre for the existence of a stockholder is that he can supply the customer in fair weather and foul, when he wants it, and as well, if not better, than can the customer himself. And, generally, at a well worthwhile cost-saving. To do that involves a highly flexible, durable transport system allied to a stockholding policy that will still be able to deliver what the customer wants, when he wants it, whatever the circumstances. And the circumstances just lately have hardly been conducive to the kind of steady build up of busines that any enterprise likes to see.

The lorry drivers' strike hit hard, but gave stockholders' the chance to keep their customers supplied by the exercise of ingenuity and initiative, and demonstrated convincingly their commitment to keep supplies—and their customers' production lines—going in difficult times.

If the goodwill of customers is to be maintained and their loyalty deepend, at least a nucleus of a transport fleet must be available to do same day deliveries, and that, for most stockholders means their own fleet, though not always. And if their fleet is immobilised their transport managers have to be extremely nimble and knowledgeable to be able to call up a "free."

v Adversity will almost always find a way round, and stockholders have, perhaps, had to become pretty adept at doing so. Merely to have followed the rule book would have courted disaster. Thus, one way and another the ties with customers that lead to a successful operation, have been cemented, rather than loosened. However, it must be said that while stockholders have demonstrated their allegiance another cogent force in encouraging customers in the engineering and allied industries to divest themselves as much as possible of raw material stocks is the crushingly high interest rates.

On the other hand, if it is a question between paying high interest rates and having no steel because of the unreliability of supplies, the answer clearly will be to pay up.

The way in which stockholders have cleared these obstacles and are now going on to take over a major part of the materials holding—and handling and processing — operations of customers is a measure of the expertise they can bring to bear on a problem.

Distribution accounts for up to 30 per cent of stockholding operations. It therefore singles itself out as a prime area for cost cutting, and there is no doubt some valuable savings could be made. But so long as customers phone up requiring delivery that afternoon or, if living further away, the next day, then they are going to be very difficult to achieve. There is no doubt that customers could be more accommodating, and many are becoming so, but stockholders came into its own through building up confidence in the ability to deliver on time, to have the sections on the building site within an hour or two of their being wanted, and so on.

Flashback to the UK steel strike: a lorry driver argues with pickets outside the Canadian-owned Sheerness Steel Company

And, with too much capacity likely to be chasing too little business well into 1981 this aspect of competition is unlikely to change. It is a common problem for all stockholders and so is that of finding back loads instead of returning empty. This is only partially overcome by co-operation between stockholders in different parts of the country and with hauliers.

Where a stockholder has his own fleet, the aim always is maximum utilisation, and the way a transport manager juggles with loads and times and places and makes out the sheets for the next day's working can lead to success or missing the target.

Hopefully, the fleet will just be the right size and composition to deal with an average day. If more transport is required he will be on the 'phone to one or more hauliers who regularly iron out the peaks of demand. If he can achieve 80 per cent utilisation, he will be doing well. Just now, in the aftermath of the steel strike, he may well be contemplating only 30 per cent.

Some medium and smaller stockholders have taken a leaf out of what they preach to customers by contracting the business to a reliable haulier who may dress two or three vehicles in his customer's livery and have others on call if necessary.

The advantages are that the stockholder never has a vehicle off the road for maintenance or repair and of course is absolved from employing staff. The attractions for a medium-sized or smaller operation are considerable. No one is very sure at what size it becomes more attractive, even necessary to run one's own fleet, partly because the equation has been changing with some frequency. If one considers an articulated vehicle, as an example, the tractor unit in the past year has increased in price from £12,000-£14,000 to around £16,000, and trailers by £500 or so to £4,500.

Road tax has gone up sharply to £750, wages from about £98 a week to £110 with overtime, and nights away from home are up from £7.50 to £9.

Even with fuel at maximum discount at £1.08, one haulier estimated it cost £10 a ton to take steel from the Midlands to Exeter.

Stockholders try as far as possible to operate within about 60 miles of a depot, and to site depots—if they are in the big league—strategically so that they cover the whole country economically. While this works well for the majority of operations, there will always be a minority of occasions when special qualities or sizes have to be ferried far over depot boundaries.

Opportunities

Distribution costs can, of course, be more easily optimised if stockholding is also linked to steel production, or engineering facilities as it is in the case of GKN or Ductile Steels. The opportunities for arranging full loads of one kind and another, and of picking up return loads are obviously greater, though the growing collaboration between stockholders' fleets is helping to keep down their costs.

Another imponderable factor is the extent to which competition for limited business will thin out stockholders, perhaps especially in the flat rolled products sector and lessen the pressure on margins. One thing is certain—distribution and its cost will, over the next 18 months or longer, become an even more crucial factor in profitability.

Supplies from the British Steel Corporation are coming through much more quickly than even BSC thought would be possible so soon after the strike and non-popular products are rapidly nearing normal delivery times. When the fight for business is backed by adequate supplies an efficient transport system is going to count for more than ever before.

Trends hard to detect after the steel strike

STEEL SECTIONS

PETER CARTWRIGHT

THE SECTOR of steel stockholding dealing with sections, beams, plates and allied products mainly for the construction and fabricating industries is generally reckoned to be rather more stable than that dealing with flat rolled products, and so it is proving. This is due in part to the structure of stockholding and partly to the level of activity in the industries it serves.

The rapid expansion in stocking and processing flat rolled products for the motor, domestic appliance and pressings industries which took place a few years ago was not accompanied by an equivalent expansion in sections, and so on.

For one thing, the market for supplying those concerned with building, and making tanks and boilers and other fabrications tended to be slower moving, with the possible exception of factory and warehouse work. For another, processing—the conversion of materials into exactly what the customer needs for production lines—was more limited, being for a large part a sawing to size operation.

At any rate, the rush to move into stockhodling, either as a diversion or of making extra profits, did not attract so many as did flat rolled. Nor, when the downturn came after the oil crisis, did the ensuing contraction grip to tightly. This is not to say it has not experienced the inevitable consequences of declining industrial activity, though it has been spared the worst features of catastrophic losses, amalgamations and bankruptcy.

At this jucture, so soon after the ending of the steel strike, it is impossible to detect firm trends. It looks fairly evident, though, that the factory and warehouse building boom is subsiding, that house starts are unlikely to improve appreciably, and that lucrative Middle East markets may have been lost for some time to come, if not irretrievably, for major projects that have stood the general steels stockholding sector in good stead.

The outlook is not one of all unrelieved gloom, despite the increasingly gloomy forecasts of what the ecnomy, and engineering in particular, is going to do over the medium term. Stockholders keep their fingers on the pulse of their customers, and there is a widespread feeling that the forecasts are overdoing it.

The full implications of the steel strike will not become known for some months. Just as the engineers' strike left materials stocks unacceptably high, so the steel strike ran them down, though one has not heard of stockholders failing to meet their customers' requirements even if it was a close thing on one or two occasions. One Yorkshire stockholder was down to his last beam and even sold a thick steel plate used to balance a snow plough—"I must remember to replace it before next winter." By and large, a make do and mend situation saw this sector of the industry through.

What comes next is hard to discern. Supplies from the British Steel Corporation are improving faster than was thought possible, and faster in some cases than demand requirements. Waiting-time for plates at the time of writing is down to 10 to 12 weeks and of sections six to eight weeks and reducing steadily towards normal delivery times.

The stock replacement programmes are proceeding apace both at customers and at stockholders. The opinion most widely expressed is that end-users will probably settle for levels some 12 to 15 per cent below pre-strike levels, that stockists will also operate on a leaner back up. High interest rates and a sluggish market in which exports have been hit both by a strong £ and political unrest abraad are combining to bring this about quite apart from soaring rates and other costs.

With customers reluctant to place one more order than is absolutely necessary, stockists are finding it extremely difficult to see ahead, but they believe that once stocks have been rebuilt to planned levels possibly by around mid-July, business will be at slightly lower levels, though much will depend both on the area of the country being served and the customer.

One stockholder whose turnover is 4 per cent off the comparable 1979 period considers he is doing not so badly and is not anticipating much worse. Another thinks that overall his customers will be buying 12 per cent less in rebuilding stocks, even though May and June are usually stockbuilding months to take account of the holiday period. And longer holidays and short time working are items that loom larger when considering programmes. Both have to be taken into account when policymaking decisions are taken.

The lengthening holiday period will, in the future, materially alter the traditional pattern of business and make the recovery of overheads that much more difficult. Possibly, some element of part-time employment may have to be considered by fleet managers to cover staggered holidays by their customers and their own holiday arrangements. At any rate, the peaks and troughs of the business cycle look as though they are going to become higher and deeper when the economy gears up again.

There is also the longer-term question of the extent to which this side of the stockholding business may change in some of its fundamentals. It is a service, rather than a processing operation, as it is in the flat rolled sector, with saws among the chief items of equipment, and their employment is often not high.

One of the biggest stockholders in the country says his total sawing capacity represents only 12.5 per cent of total deliveries of all kinds.

The role of the general steels sector seems likely to remain much closer to the original function of a stockholder—to hold stocks for customers, especially fo shapes and sizes that are rolled only infrequently and in parcels larger than demand needs.

The future is also somewhat mistily obscured by the role BSC may try to map out for itself in the future. The Government has hardly brought in the man it has just to continue past policies and the Corporation's involvement in the marketplace may become much more active.

There is also the unanswered question of the extent to which stockholders may have to compete against direct imports.

The accompanying table indicates how imports are moving, especially in this sector of the market. Some shipments have been brought in by BSC as a hedge against the effects of the strike, but the figures also appear to show that in plates, heavy bars and sections stocks were much lighter than in flat rolled products and quality requirements were not being fulfilled from home sources.

IMPORTS OF MISCELLANEOUS STEEL PRODUCTS (000 tons)

IMPORTS OF MISCELLANEOUS STEEL PRODUCTS (000 tons)

1979	% of home market	1978	% of home market
2,787	25.3	2,558	25.0
Heavy bars and sections			
188	12.7	87	6.6
Plates			
936	34.2	655	27.9
Alloy (including high speed steel)			
56	17.1	54	16.5
Strip mill (wide coil)			
1,279	36.1	1,418	41.0

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STEEL STOCKHOLDING V

Customers protected by pre-strike stocks

STAINLESS STEEL

FRAZER WRIGHT

THE FACT that the consumers of British stainless steel did not suffer anywhere near the shortages of their counterparts in ther grades during the three-month steel strike earlier this year is due, in no small part, to the business acumen of the UK stainless steel stockholding industry.

Certainly, there were shortages of some specific stainless grades and sizes by the end of the British Stele Corporation stoppage, notably in some strip and hot-rolled plate grades. But, by and large, a combination of good pre-strike stocks, and judicious importing saw most of the stockholders' customers through, without too much difficulty.

Anticipating sudden market changes is a major factor in the role of the stockholder, but this only explains some of the very high December stock levels of last year. A more shrewd guess might be that the stockists were hedge-buying against what they considered were inevitable price increases during te spring of 1980. Increases which, incidentally, duly occurred.

Whatever the reason, and the motive, the stock levels of stainless steel in the hands of UK stockholders was a boon to customers, for the British Steel Corporation supplies virtually all the stainless steel produced in the UK, be it cold- or hot-rolled.

Rescheduling

It is still too soon after the strike to try to gauge the current mood of the market, affected as it must be for some time, with restocking and balancing of supplies. BSC in Sheffield, the major stainless production centre, is pleased with the speedy start up at its £140m stainless complex at Shepcote Lane and Tinsley Park. Corporation planners anticipated quite substantial rescheduling of orders, but have not been hit nearly so hard as some feared.

Strong emphasis has obviously been placed on building up stocks of grades in short supply, a position which has not been helped by difficulties experienced by two outside supplier countries, Sweden and Finland. The current BSC order book now extends to August, which sounds forbidding, but is, in effect, only three to four weeks beyond the normal stainless lead time.

Prices have increased, both the base price, quoted by the British Steel Corporation, and the surcharge added to counter the rising cost of nickel—an essential element in some stainless steels.

Base price increases ranged from 4 per cent on cold rolled steel to 8-9 per cent on some hot rolled grades. The nickel surcharge added a further 4 per cent to affected steels after April 1. Nevertheless a maximum increase of less than 14 per cent, and an average very much less than that is cited by BSC as encouraging at a time when inflation is nudging 20 per cent.

Just what market share BSC will have when the post-strike distortions level out remains to be seen. At the end of 1979, the Corporation was building up towards a 50 per cent share of the UK cold rolled market, but had not then achieved the magic figure.

In hot rolled stainless steels, BSC was hovering in the 1960s. No one is prepared to forecast the likely figures for the end of this summer, but BSC seems certain to have, at best, halted their claw back, and at worst dropped several percentage points of the market.

Whatever the protestations of loyalty might have been in early January, BSC is realistic enough to accept that they cannot win back every customer overnight.

For some years the Corporation operated an often crititcised favoured stockholder scheme, in which a small group of merchants received the maximum attention from BSC. Although this has not been dropped, it has been deformalised to a maximum extent and now around a dozen stockholders work with this special relationship—and BSC is always willing to consider adding to their list, after suitable assurances. Such a special relationship may no longer be relevant in terms of discounts on steel, but can prove its worth at a time like this in terms of supply priorities.

Obviously not all stockholders would be interested in such a loose tie-up. Many handle grades not produced by the BSC.

Perhaps the most heartening news to come out of the big Sheffield stainless complex in the past few months is the final final commissioning of a vital piece in the UK supply jigsaw, the bright annealing unit at Shepcote Lane. This will enable the Corporation to enter a major market area which it has, so far, only been able to deal with in minute quantities.

Bulk market

The commissioning of the bright annealer will allow BSC to enter the bulk market for bright annealed 30 0series chrome/nickel steels ,and the 400 ferritic series. These grades cover important consumer products, such as trim, kitchenware and holloware.

Already, BSC Stainless executives say they are encouraged by the favourable reaction given to samples and by what one corporation expert described as the "open-minded attitude" of stockholders and consumers.

More price increases seem unlikely in the next few months, despite the continued uncertainty about nickel. The other raw material shortage which prompted a surcharge, molybdenum, has eased considerably, and led to surcharge reductions in April. Some were quite substantial—the main molybdenum steel, type 316, saw a surcharge fall from £444 per tonne to £290 per tonne.

The future of such surcharges remains unclear; there is evidence of a growing lobby wanting them incorporated into the straight base price of the steel, but such a development may have to wait for more stability in the respective raw material markets.

Indeed, the whole question of surcharges invariably throws up a host of problems. Stockholders are businessmen—they see raw material prices moving as erratically as anyone, and few now seriously question the justification for nickel and molybdenum surcharges, over the last few years.

The sudden cut in the molybdenum surcharges, however, was not universally welcomed — certainly not by merchants who had a considerable stock of moly-bearing steel, upon which they had paid the full £444 per tonne surcharge. And merchants are now making it clear that the Corporation will have to thorougly prove its product in areas like their new bright annealed steel, a market field where they have little or no reputation to display. As Mr. Duncan Turner, product group director for stainless steels points out: "We have to serve very demanding end users. If they don't like what we send them, then it is not acepted, and back it comes."

Stainless steel is a fickle market, which is highly fragmented in terms of the supplier stockholding industry. Imported stainless steel of almost all grades is quite freely available.

Indeed, stockholders who decided to buy abroad during the strike found that getting promupt deliveries was no problem. Getting such deliveries on a one-off basis, without the obligatory longer term tie-up certainly was.

There is little enthusiasm for overall market buoyancy for the remainder of 1980. Business is currently flat, and consumers, as well as stockholders are still absorbing the lessons of the BSC strike. Many customers managed to exist, and even function almost normally with stocks substantially less than they had been used to holding.

If this is taken as a model, and the consumer continues to stock less, then this will throw an even heavier burden on the stockholder, who will not only have to try and foresee the vagaries of the steel market, but also have to be prepared for even more erratic demand from many customers who, as usual will want delivery "yesterday" —be prepared to accept it today, but wince at the thought that it mihgt have to be the day after tomorrow.

More buoyancy in high technology markets

SPECIAL STEELS

FRAZER WRIGHT

WHEN Mr. Derek Bird and his partner launched a specialised stockholding business in a Yorkshire town some years ago, one of their first customers — for top-quality black bar steel—was a major UK pump manufacturer. After the first delivery, the customer made a point of complimenting the new stockholder on quality and delivery.

Just one small point: the customer did have trouble getting the bar cut down to size. The point was taken, and future deliveries were cut to size by the stockholder. Black bar is, of course, in a semi-finished state, and needs surface grinding work before use. Fairly soon, Mr. Bird's company was grinding, too. The customer was delighted—but mentioned casually that the tolerances were, perhaps, not quite as tight as his process really needed. The stockholders asked for a tolerance gauge. Now they are as tight as a drumstick. Could the stockholder also handle exact cutting to length?

Mr. Bird still has that original customer. "But now we supply virtually the finished shaft, complete with keyways and oil rings, and ready packed in plastic." he said. Here is evidence that the role of the specialist steel stockholder might start with an order for a couple of tonnes f black bar but, if he is wise to the inexorable development of stockholding as a service industry, he will continue to mechanise and develop to provide such a service.

Definition

There is no clearly definable special steel sector, of course, no more in stockholding than there is in steelmaking, if it comes to that. What, to some stockholder companies — and steelmakers — is a bulk steel is, to others, specialised steel of the most unfathomable kind.

Consider stainless steel: In terms of flat products, such as sheet, or plate, it is now quite clearly a bulk steel, being produced in thousands of tonnes by the British Stele Corporation in Sheffield and South Wales.

But consider stainless steel bar — and that is a very different product. Specialised, and produced to orders which seldom go into the hundreds of tonnes, it is quite clearly a highly specialised stele for the high-technology industry. Also, it is invariably produced by smaller, private-sector steelmakers, both in Britain and Europe. It also happens to be priced near a "precious metal," in certain cases, as customers sometimes complain, with mock anger.

So, special steel often needs a special service back-up, either from the stockholder or, using his expertise to find such service, from the steelmaker. In Sheffield, a leading private sector steelmaker, Firth Brown has just commissioned a £12.5m precision forging development, with a massive, Austrian-made, GFM automatic forging machine as its centrepiece. This will certainly improve productivity and yield for the steelmaker.

But it has created considerable interest among specialised stockholders, too. For it now offers the promise of a home supply of large sized forged rounds in exotic alloys, such as stainless and nickel based alloys, going up to some of the really esoteric super alloys that this engineering steelmaker has long specialised in.

One of the advantages of the GFM is its ability to sidestep the production restraints of the conventional forging press and offer a totally consistent product with a good surface finish.

Special steel stockholders—whatever their own speciality product—invariably serve high technology markets, and there is some evidence of buoyancy at the moment, certainly in the aerospace market going through a period of almost frantic order books, the oil-based industries, and, increasingly, the defence market. The election, last year, of a Government committed to strengthening Britain's defence capability produced a bullish mood that is now being translated into firm orders, it seems.

These are the bright spots, but other sectors are sluggish, report stockholders, with demand for some products often looking slack. The overall market is fiercely contested between British producers and importers, and despite encouraging signs, there is no real evidence yet that overseas producers are slackening their dominant grip on the market.

Obviously, in some special steel sectors, imports are a must, as there is no British production capacity. High speed steel in coil, where Swedish producers dominate the market is a case in point. But in the vast majority of stainless bar, tool and high speed steel grades, there are British alternatives to imports. In the past, UK producers have been criticised as being well behind foreign competition in terms of both price and delivery

Today, as many stockholders will readily agree, there has been a marked improvement in terms of delivery deadlines, and a noticeably stronger willingness on the part of many UK producers to try and come to competitive terms wtih imports. On price, however, there still remains a gap that is often substantial.

The UK producers insist loudly that they are having to face unfair competition from what can be dumped shipments. Some even suspect long-term, subsidised attempts to win the UK market as a convenient sales fiefdom by certain European producers.

Mr. Norman Hanlon, whose company Sanderson Keyser is a special steel manufacturer, insists that attempts by the UK producers to compete in terms of price with some of these dumped imports will simply consign the British industry to the sort of early grave already marked out for motorcycles and television set manufacturers. The encouragement of low price specialist steel imports by merchants, and some stockholders, is a sad case of selling the future of an essential British industry for a short term profit, he maintains.

But, hawever the source of their supplies, the special steel stockholders are increasingly providing a sophisticated service that starts once the steel shipments are on their premises.

The days of simply supplying a customer with, for instance, inch diameter bar, are fast disappearing. Today, some service centres—an increasingly used term for the steel stockholding establishment prepared to offer more than a basic intermediary service between the producer and the customer—are able to offer bar at a size tolerance down to half a thousandth of an inch.

At a time when manufacturing industry is putting every job under a microscope—particularly in any modest expansion programme—such a service can make all the difference between a flat market, and a lengthy order book. For these are not simply sops to keep a customer happy. This is precision work, done by advanced and modern equipment, for which the customer willingly pays a considerable premium.

There is little doubt, however, that the main market promise for 1980 and beyond lies in the aerospace industry. Demand for specialised steels and other metals by Rolls-Royce for their booming RB 211 engine programme alone is cited as underpinning many companies. Add to this the parallel development programme for the Tornado multi-role military aircraft, and you have a new cycle extension.

Big question

How long will this last? Mr. Michael Howarth is a director of Spencer Clark Metal Industries, which not only produces some of this very high quality aircraft steel, but acts as a major stockholder for an even wider range. He sees the possibility of 70 per cent of the present world airline fleet being due for renewal in the next few years, so there seems little chance of the present boom peaking out.

Indeed, inevitable constraints with rare metal shortages could act as a natural check to any sudden production peak, with subsequent downturn. These shortages, says Mr. Howarth, seem likely to regulate production at about two-thirds of demand, which would stretch out the whole cycle for a matter of years.

The outlook remains depressed

TUBES SECTOR

LORNE BARLING

THE TUBES sector in steel stockholding is currently in a state of some confusion in the aftermath of the British Steel Corporation strike, with even the major stockholders unable to determine the true direction of the market.

Even before the strike, particularly in the run up to Christmas, the market was seriously distorted by companies building up stocks in anticipation of a long closure at BSC. During the strike itself there was also higher-than-average buying for stocks.

Now stockholders are experiencing a slowdown in buying as companies use up their considerable stockpiles in a market which is in any case depressed by economic factors. The decline in demand began as far back as the middle of last year, after a reasonably buoyant first half, and the outlook now is somewhat depressing.

Even when stockpiles have been brought back to normal levels demand is unlikely to be any better than the third quarter of last year, the last undistorted period. Some optimistic forecasters believe there could be some improvement after August, but the economic outlook hardly supports this.

Demand for tube for gas and steam, water heating and ventilating has been relatively stagnant for a long period and is showing little sign of improvement. Similarly the market for pressure tubing for the petrochemical industry, once a major market, has also been flat as a result of relatively low capital expenditure in that sector.

Although the tubes sector has in the past been able to withstand recessionary periods better than those specialising in flat products, the two cannot be entirely divorced. For example, it is feared that recent shortages of sheet metal in the motor industry may have discouraged the buying of tube, which would merely have to be held in stock.

Similar problems have arisen in the building industry, which is in any case going through an extremely difficult period. Due to shortages of structural steel in some areas building projects have been delayed, with consequent slowdowns in orders for tube to be used in the buildings.

There is also evidence that during the strike there was a great deal of improvisation in industry in which overlooked stocks were brought forward for use where possible, and some interchange of stocks between company divisions took place, further reducing overall demand.

But the most notable effect of the strike, in the view of both GKN Steelstock and Tube Investment, is that the level of imports has risen dramatically in the past few months, although the long-term results of this can only be guessed at.

Most stockists have had to import during the strike to maintain their stock levels, and with around 70 per cent of all supplies passing through their hands in the UK, this means that imports have almost certainly taken a larger share of the market. However, the most important aspect of this is whether importers will be able to hold that share.

Competition

Although British buyers of imported tube are unlikely to have had to commit themselves to long-term import contracts, given the serious over-supply position in the world tube market, many discovered that on price and delivery, European producers are highly competitive.

Having been reluctantly compelled to go abroad, buyers may also have had some of their doubts about quality dispelled, and it seems likely that many will at least retain some imports as a second source of supply after BSC. Even now, some weeks after the end of the strike there are shortages of some special steel products in the tube sector.

BSC is well aware that after a strike of three months it cannot expect its customers to be as confident in the corporation as in the past, despite its previously good record on industrial disputes. However, it hopes to emerge by the autumn with a very large share of its British business intact.

At the main centre of the corporation's tube production, Corby, work is going ahead on the £45m investment plan to improve the efficiency of mills. Despite the gloomy outlook for the corporation as a whole, the prospects for the tube sector are seen as somewhat better in the long term.

Corby entered the year with a large order book, and more have come in since then, enabling output to be increased steadily. Although management believes that it is too soon to judge the underlying strength of the market, the prospects for the rest of the year are not encouraging.

BSC recognises that tube imports have been high recently and some European mills have done extremely well as a result, but the big question is what permanent damage has been done or, put another way, to what extent will UK buyers maintain second sources of supply.

Although the investment programme at Corby will progressively make the mills there more competitive, BSC is still faced with the uphill struggle of selling at higher prices than many European competitors, who have taken the opportunity created by the strike to offer very attractive terms.

There is little prospect of BSC pushing through price increases on tubes this year, since that would widen the already troublesome gap in prices which now exists. Although profitability is clearly at stake, BSC recognises the need to compete strongly on price and quality, and believes in the longer term the outlook is not as bad as most people believe.

In the tubes sector, the next few months will be critical for BSC, since it can rely on little other than loyalty and confidence in its future to persuade its customers the steel stockholders, to order its products.

Orders for steel pipes being prepared at a Sandvik warehouse—"we're holding our own in a static market," says a company spokesman

Cut plates and coils stacked for delivery at a GKN Steelstock warehouse

Further rationalisation is inevitable

FLAT-ROLLED PRODUCTS

PETER CARTWRIGHT

"THERE IS much more in the sandwich these days than just selling steel," said a Midlands stockholder, voicing the attitude and outlook of the majority—though they may not have gone so far as he to implement their beliefs.

What he was really saying was that the business long ago ceased to be a matter of keeping customers happy by tkaing over their stocking problems and keepin gthem happy by investing in equipment to provide them with the raw materials for their aproduction lines when they wanted them.

A year ago, senior executives in the industry were reporting that capacity in the flat rolled products section was probably 50 per cent greater than demand required. That was soon after the slick operators, the "pen and ink" people who received the order before they ordered the steel, had largely disappeared and during the catastrophic period when some substantial enterprises were making up to £750,000 losses as the marked turned sour and inflation raced along.

Some of those enterprises have gone to the wall or been amalgamated. Others, for whom stockholding was an adjunct to their main business quietly folded their tents and stole away when the losses began to mount.

Over-capacity

There is still overcapacity, despite the thinning of the ranks, though with everyone replenishing their stocks it will not become clear how much until the autumn at the earliest. The auguries are not good. The British Steel Corporation has recovered more rapidly than even the optimists within it thought, and outside the popular ranges supplies are beginning to overtake demand.

By the end of June, BSC is expected to have regained its balance and it will not be many weeks after that that stockholders will also be stocked up to the levels they deem will see them through what promises to be another dreary winter.

Already, many of them are back to two-thirds of their pre-steel strike levels and they foresee an era of bitter competition starting that is bound to lead to further rationalisation.

Survival will more than ever depend on all-round efficiency. As the man said, there is more in the sandwich than just selling steel. Stockholders have been steadily moving closer to the customer's production line by proving that autmotive component supplies, fridge and tube makers can rely on stockholders for raw materials as much as if they were on his own premises, and without the hassle. He can cope with the inevitable fluctuations in demand with smaller stocks and the space freed may be put to productive use.

British stockholding operations are reckoned to be the most sophisticated in the world, and the steel strike gave another impressive demonstration of the flexibility and reliability of the service. The more progressive have also anticipated the growing demand for products shaped and sized to much tighter tolerances to take account of computerised machining centres and automated assembly lines. Customers faced with heavy capital expenditure if they equip themselves to do the job as accurately are being won round to the view of leaving more, much more to the stockholder.

This aspect is, indeed, one of the most hopeful signs for the future, for with customers saying they will only be rebuilding stocks to 80 to 85 per cent of what they were because of the slack demand and uncompetitiveness in export markets any extra business from them is all gain. So, a transfer of stockholding responsibil· emerging as one of the more hopeful aspects of a dull picture.

Meanwhile, stockholders are re-examining every part of their activities to see how productivity and overall efficiency can be improved to maintain acceptable levels of cash flow and profit margins. Computerising office functions, as well as the more practical activities downstairs, are one way, and more stockholders are encouraging middle and senior management to broaden their knowledge and experience of other functions so that the interaction between them can be better appreciated.

Those handling finances are becoming more sales-oriented and one Board is sending middle and senior managers to Cranfield and Ashridge Colleges to gain a broader understanding of business, not simply the stockholding business.

Another company which is continuing to invest, both in the offices and downstairs, holds regular meetings with shop stewards to keep the shop floor abreast of day to day business, with investment, market changes and so on, so that everyone becomes acclimatised to change as the norm, as a continuing process. During the year, the company has put down a £500,000 slitting line and investment on the office side works out at £1,500 a head.

Machinery

Keeping machinery and equipment up-to-date is seen by the more shrewd operators to be a cardinal factor in securing the future, despite the slimming of profit margins, and almost everyone seems to have improved operational productivity by not replacing labour wastage.

"We thought we ran a pretty lean organisation and have been mildly surprised to find we were in fact somewhat overmanned in places," said one.

The rationalisation and weeding out of surplus operations that is going on among companies is also happening within companies. British Steel Services, the stockholding arm of BSC is engaged on just such an exercise since filling up last autumn the rest of the 15 per cent of the market agreed with the European Economic Commission with the acquisition of Dunlop and Rankin. That share could easily become more but for the restriction.

The rationalisation is being undertaken to give a more coherent character to the now extensive operations. BSC has six centres in addition to Lye, the headquarters near Stourbright. These are at Wolverhampton, Southall, Caldicot, near Newport, Wales, and Scotland and Leeds.

Activities are being decentralised, with Lye becoming a smaller head office and more emphasis being put on the regions. Scotland is one, with the northern area stretching fro mthe Wirrall over to the Wash.

The North Midlands area extends from the North Wales coast through the middle of the Black Country to the Norfolk coast, with the South Midlands stretching from Gloucestershire to the Suffolk coast. Southall will serve the South East region including Hampshire, Oxfordshire and across to the Kent coast, with Caldicot being responsible for South Wales and the South West from Dorset downwards.

BSC sees stockholding as a profitable long term enterprise even though the service centres obtain no better terms from the mills than the private sector, and quite clearly it is going to battle hard for its share of a depressed market.

BSSC's views on capacity is that there is far too much. It does not disagree that available business will be down 10-12 per cent during the coming year, and confirmed that steel production was outstripping incoming orders. And, as a parting shot, forecast that turnover for BSSC this year would be as great as in 1979.

THE ARTS

Malvern Festival Theatre

Heartbreak House

by MICHAEL COVENEY

Shaw sub-titled his 1921 extravaganza "A Fantasia in the Russian Manner on English Scenes." Captain Shotover's house is a high-pooped ship of state where illusions die, romantic love withers, money runs out and the Captain's own seventh degree of concentration is revealed to be an addiction to rum.

England is on the rocks and it is with an enthusiasm bordering on ecstasy that Shotover's daughter Hesione Hushabye welcomes the approach of Nemesis in Act III.

That "splendid drumming in the sky" is at first as sudden and ambiguous an effect as the distant twang in *The Cherry Orchard*. But in a beautiful shift from symbolism to reality, we learn that the air raid has claimed three victims: the rectory (i.e. the Church), and the practical capitalists in the shapes of Boss Mangan and the burglar.

For inter-war audiences, the play must indeed have seemed a laconic lament for leisured country house life. But we have rediscovered the piece—or rather the National Theatre did a few years back—as a feast of vital dialogue, ambitiously sustained between the twin poles of the Captain and Ellie Dunn, Hesione's friend. Peace for the old and hope for the young is the conciliatory message and Shaw suddenly sounds, although he would not thank you for telling him, like the Shakespeare of the later plays.

Now in its fourth year since the Festival was revived, Malvern has lost none of its charm, despite being shrouded in mist and decidedly damp this week. Bunting and coloured lights festoon the streets, as if complementing John Gunter's on-stage design of the vast ship setting sail on unknown waters.

The director, Clifford Williams, is responsible for the most recent of our "state of the nation" plays, Peter Nichols' *Born in the Gardens*, but he is curiously impervious to the poetic claims of Shaw's Act III. The play is performed with gusto in the early stages, but a mood of apprehensive resignation is not quite the same as the torpor that overtakes the cast as Nemesis dawns.

Barbara Murray is superb with Hesione's brittleness but unconvincing when welcoming the Apocolypse. Patrick Cargill as her husband Hector, romantic but incapable of love, and John Quentin as the love-sick Randall, are inventive, stylish and very funny in Act II. But rumbling portentousness is blown to smithereens when Mr. Quentin cannot help being outrageous in silk pyjamas in the closing moments.

As Ellie, Mel Martin shouts a lot but is pretty and very clever at handling the difficult transition from gullible romantic to *pragmatic future spouse* of the man who ruined Shotover, her spiritual partner. And Anthony Quayle gives a spry, gravelly resonance to the Ancient Mariner, mixing despair at the human race in equal proportion to his undisguised delight in the role of perverse Noah on a doomed Ark.

As a commentary on England, the play is of historic value only, but this starry cast—others include Honor Blackman (a little too pedestrian as Ariadne), Ken Wynne and Paul Hardwick—is equal to the demands of the lines if not to those of the ultimate atmosphere.

Elizabeth Hall

Amadeus and Frankl

by DOMINIC GILL

The Amadeus Quartet were off form in the first part of their concert on Tuesday evening— which is not to say they played badly: every bar was decent, and whole pages were very good indeed. But the spirit was thin, and the musical (as opposed to the purely technical) energy was flagging. In any case, it had been the dampest, heaviest, sleepiest day in London for weeks: no weather at all to set the senses singing. (And maybe the weather—by which I probably mean barometric pressure, *rather than plain "weather"*—has more to do with successful and unsuccessful music-making than most people credit).

They began with Haydn's op. 64 no. 2 in B minor in the crudest sub-Amadeus vein—almost an Amadeus self-parody, that dug into the notes of the opening pages with ice-pick sensitivity, and folded the lovely adagio melody of the second movement into thick Brainin whipped-cream. The Amadeus can play like this in their sleep: and could almost have been doing so, for all the pungent colour and original pointing the performance contained. They gave Verdi's quartet next, in an account that spoke of no kind of commitment, dashing through the opening allegro, pausing on, and relishing, the juiciest bits, but finding only the palest resemblance of the real force of the movement: it was if the group had decided to substitute—very expertly—professional "expressive" cyphers for the real expressive quality of Verdi's musical language.

And then, after the interval, they came to life. It was surely not for any reason so obvious as that they were joined, for Dvorak's second piano quintet op.81, by the pianist Peter Frankl: this was no more than an evening unusually slow to gather momentum, slow to warm. The very tone was changed: deeper, subtler, richer: the attack was no longer merely strong, but also bright. It was a happy performance, and fine compensation: at its heart a beautifully indulgent and resonant Dumka (with its darkly Chaikovskian ending). Frankl's partnership was quick and firm; the two final movements were a rousing celebration of contrasts and complements — toughness and sparkle, deep shadows and brilliant lights.

Hywel Bennett and Christopher Neame

Chichester Festival Theatre

Terra Nova by B. A. YOUNG

In making a 2½ hour theatrical piece out of Scott's expedition to the South Pole, Ted Tally has set himself the same problem that Somn Gray faced in *The Rear Column*—to bring dramatic life to a long undramatic period. Of course the whole expedition was in itself dramatic, and such events as Evans's madness and death, and Oates's heroic suicide, are as enthralling potentially as they are memorable. But what the author has to contend with is a situation in which five men battle against the same problem for a long time.

Mr. Tally has provided two elemtns to keep the lifeblood flowing in the veins of his play. The first and more predictable of them is the introduction of Roald Amundsen, the Norwegian whose expedition made the affair in to a race, and who, in the event, reached the Pole a month ahead of Scott. The other is to bring in Scott's wife, tracing their relationship from the days of their first acquaintance to the breaking to her of the fatal news as she sailed south hoping to met her husband on his homeward journey.

Amundsen and Kathleen Scott hover over the play like spirits. Amundsen (another fine performance by Benjamin Whitrow) discusses with Scott the methods by which each of them will operate. He will be severely practical and scientific. Scott's ultar-British lependence on patriotism and the sporting spirit boils down to "treating his dogs like gentlemen and his gentlemen like dogs." Throughout the journey Amundsen acts as Scott's alter ego; when there is a hard decision to be made, Amundsen will appear and put the alternative case.

Kathleen Scott (Helen Ryan) can play no part in the actual *expedition; we se her only*, with some chronological twists, as an aid to the understanding of Scott's character. Miss Ryan makes her an interesting person, dry and practical even in her maternal emotions, but she cannot make her more than a footnote to Mr. Tally's main narrative, the story of the Polar expedition.

Scott also is allowed by Mr. Tally to exist outside the main stream of his story. When his arctic gear is laid aside, Hywel Bennett gives him a sleek, smartly-groomed look, the well-connected Naval Officer who was able to get the expedition going, with himself in charge. When he reads from his journal, with its terrible message couched in such courageous terms, he is not so much the exhausted leader on the point of death as a spirit of adventure that in the England of his day was supposed to inspire every young man.

At other times he and his companions—Bowers, Wilson, Oates and Evans—are the real working members of the team, lugging their enormous sledge about the snowy wastes of Pamela Howard's set (and lifting their vast packing-cases with rather improbable ease), suffering or withstanding the appalling trials they contend with. At these times, curiously enough, the dramatic impulse of the play is at its weakest. David Wood, Martin Sadler, Peter Birch and Christopher Neame give us the events we know of from the journal that Scott kept up to his last day; perhaps because they are so well-known that they have almost become legend they do not strike us with the needful he. ic impact.

For this reason I think the play must be labelled a failure on the whole. Nothing is added to what we know, no new brilliance is given to the achievements we already appreciate. Only occasionally, as in a scene where the men seem to be ordering a sumptuous meal at a restaurant, only to be told by Amundsen, as a waiter, that there is no food, does the author allow himself a truly imaginative touch.

The director is Peter Dews.

Sadler's Wells

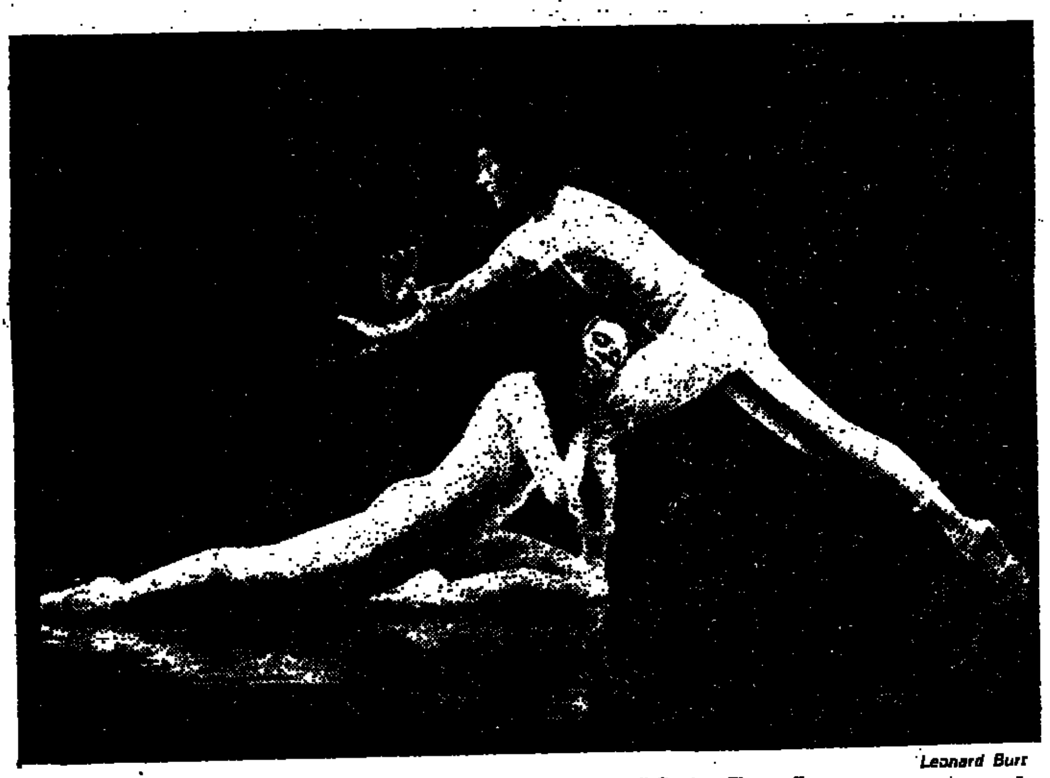
Flanders Ballet by CLEMENT CRISP

The Royal Ballet of Flanders is just over ten years old, and the youngest of Belgium's three dance companies. It is at the Wells for the next ten days, making its London début, and I wish that I could salute Tuesday's opening programme with anything like enthusiasm. First impressions may be dangerous and always wrong, but the initial effect given by the company is one of earnest endeavour labouring against massive choreographic odds.

Cantus Firmus, which began the evening, is solemn, tending to Mickey-Mousing (step for note, animated cartoon fashion), and the work of Jeanne Brabants, founder and director of the company. Gems from Bach are played, while the company raise inspirational arms heavenwards, and the programme note declares that "we could call it Symphonic Dance." I could call it other things.

The company then presented Jack Carter's *Cage of God*, a view of man's first disobedience which has a claustrophobic, arid despair to it. Originally made for Western Theatre Ballet, the piece still has a harsh theatrical energy as the dance jabs and claws at the character's weaknesses, and I liked Tom van Cauwenbergh's stoical portrayal of Adam.

Van Cauwenbergh and Vivian Loeber led the cast in the succeeding *Kaleidoscope* by John Butler. This is a meeting by one of those choreographic secret societies whose activities may well be full of meaning for the participants, but which leave the outsider bemused. Even more bemusing the final *Ritus Paganus*, an all-male piece of cabaret-ethnic hokum by *André Leclair*, in which a young man flailed about the stage trying to avoid turning into a bird. He did not succeed.



Leonard Burt

Winni Jacobs and Stefan Schüller dance "Cantus Firmus"

Festival Hall

Philharmonia

by DAVID MURRAY

The Philharmonia, which has just acquired Prince Charles as its first Patron, gave a concert on Tuesday in aid of its Benevolent Fund, and played so well as to induce benevolence all round.

Good will was needed for the innocent novelty that opened the second half, Nino Rota's *Variazioni sopra un tema gioviale*: it was the sort of confection that more ambitious composers generally spoil by putting in something further. Rota did not make that mistake, and was content to apply his orchestrator's skills to serenely idiotic material.

Riccardo Muti conducted it with as much expert devotion as he lavished on everything else. We had had a wonderfully broad and fervent "Consecration of the House" Overture, a late and problematic Beethoven piece which rarely fulfils one's cautious expectation so ringingly.

Vladimir Ashkenazy then joined the orchestra for the fourth Piano Concerto, a performance rich and subtle enough to deserve either several pages of description or just simple facts. Offering the latter, I remember the speaking pianissimo achieved again and again by pianist and orchestra alike, only gentle or excitably sprightly as the music demanded.

Ravel's *Rapsodie Espagnole* made a virtuoso conclusion in the best sense: razor-edge precision, controlled languor, no tricks but Ravel's own. Only the little Habanera was conditionally betrayed with the usual unmarked Accelerando where Ravel wanted eerie, unwinking immobility at the slowest possible tempo. It is probably too late to persuade anybody that what was intended was not a mild little dance, but a crystallised study, Chabrier filtered through early Satie. Otherwise, Muti's cool tact and the Philharmonia's vigorous finesse were ideally married.

Richard Tauber prize

The final audition of the 1980 Richard Tauber Memorial Prize took place at the Wigmore Hall on Tuesday afternoon. The winner was the Austrian soprano Gabriele Pietschnigg.

The prize consists of a travel bursary and a study grant to prepare for a Wigmore Hall recital, also sponsorship by the Anglo-Austrian Music Society.

M. L.

La Mama Theatre, New York

Peter Brook Company

by FRANK LIPSIUS

In ten years of working in Paris, Peter Brook has perfected his brand of primitive theatre. Of the four plays brought to New York for a final show before this decade of his work is abandoned, only one used much more than dirt sets and loose-fitting cotton-shirt costumes. The exception was the *Conference of the Birds*, in which the set consisted of two handsome Persian rugs on the floor and one hanging on the wall. The costumes were undistinguished but the props included ingenious hand-held birds with heads fitted over the fingers and wings of flowing cloth spread out on sticks manipulated by the actors. The subjects ranged from life in Sudan villages to a reinterpretation of Alfred Jarry's *Ubu Roi*, but it was the simple superficial appearance of the plays that gave them a unity reflecting the Brook Company's travels to Africa and the Middle East.

I suspect the plays do not say as much about the environment's Brook re-creates as he hoped they would, but they do show he can put whatever obstacles he wants in the way of his own thearte-making and still end up with substantial and exhilarating productions. Perhaps the greatest blow to his exotic ambitions is the fact that *Ubu*, a play with roots no further afield than the Paris where Brook works, is the tightest, most successful of the four productions. Brook has found in a well-used lavatory-cleaning brush the perfect counterpart to the original shock Jarry created with his first use of the word *Merde* on stage in modern French theatre. There are a succession of brilliant images, of Ubu triumphantly annihilating his victims under the wheels of his victorious chariot made of a giant wooden spool, of a man gobbled up under the white rug of a bear, of spirits peeking out from behind the upturned spool in various poses meant to encourage opposition to Ubu's tyranny.

L'Os, a one-act play that shares the evening with *Ubu*, is based on an African tale of selfishness and hunger, the same story *The Ik* tells in a more exaggerated form. In both plays villagers are distinguished by the degree of their hunger. The eerie laugh of tribesmen enjoying the distress of others makes lasting impression in *The Ik*, as does the house built on stage in front of the audience. The invisible cow in *L'Os* has the only meaningful presence in that play, while an English anthropologist in *The Ik* takes the role of the great provider whose generosity only pits one tribesman against another. Somehow, a scene with missionaries who come to feed those hungry tribesmen willing to sing hymns does not make the impact it ought.

But the dirt the actors scatter on the ground before *The Ik* begins and then clean up at the end represents something of a futile effort. Brook's ten-year attention to dirt, poverty and scavengers' hunt for food, worthy as these subjects are, seems too much like a painter *with a superb sense of colour* insisting on working only in black and white. Brook is always inventive, appealing and exact in works that have been assembled to make the most of his talented company. The marvellous bilingual group includes Andreas Katsulas, a tall and impressive Ubu and the Ik anthropologist, Yoshi Oida as the smirking Ik, Mireille Maalof as Mother Ubu and Malick Bowens, Jean-Claude Perrin and Miriam Goldschmidt, who exemplify the various talents of the whole troupe. Toshi Tsuchitori makes more music and sounds with a set of drums than one expects of a whole band.

'Nicholas Nickleby'

The Royal Shakespeare Company's new production of Charles Dickens' classic *The Life and Adventures of Nicholas Nickleby* opens at the Aldwych Theatre next month on June 19 and 20. The production will be in two parts with a company of 48 actors playing more than 150 characters.

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Why training matters

IT IS a common observation that, even at a time of high and rising unemployment in the UK, there are persistent shortages of particular skills which are holding back production in a number of companies. Over the longer term, moreover, there is no doubt that countries with a well trained and adaptable labour force will cope more effectively with the industrial changes brought about by technology and international competition. The British system of education and training for industry, despite the substantial resources and the large number of institutions devoted to it, suffers from a lack of flexibility. It is slow to respond to new requirements.

Obstacles

The report published today by the Central Policy Review Staff provides an admirable starting point for an attack on these problems. The authors stress that the need is not for a new government-imposed blueprint, but for the elimination of a large number of institutional obstacles which inhibit the system's sensitivity and speed of response.

The CPRS report is especially valuable on the subject of training. Thereis too much emphasis on initial training at the expense of upgrading and retraining later in life. Moreover training is concentrated on a relatively narrow range of jobs, for reasons which are as much to do with tradition and collective bargaining as with the intrinsic training needs ofthe occupation. This applies particularly to engineering where key skilled jobs are effectively reserved to workers who have undergone appreticeships at the outset of their career.

Control of entry to certain trades through lengthy appreticeships can easily become a restrictive labour practice. It reinforces the craft demarcations which are one oft he major reasons for the UK's low level of productivity

Many skill shortages are due to training requirements which are unsuitable for the job or to the inefficient use of the skilled manpower that exists. "Providing more training of the traditional kind," says the report, "is at best an extravagant and at worst an ineffective way of meeting the problem."

To the extent that it validates an inappropriate system of training it may make the problem worse.

Past government policy, including the establishment of industrial training boards, has been based on the assumption that employers and unions know best what sort of training they need. This is a view which has to be modified, since unions and management may be more interested in maintaining systems of training traditional to their industries than in serving the long-term needs of the economy, which call for greater flexibility between occupations.

One of the consequences of the narrow focus of most industrial training boards is the neglect of occupations which cross industry boundaries. This may be why some of the most persistent skill shortages relate to widely used skills, such as those of draughtsmen, test technicians and maintenance engineers.

Part-time study

There are other weaknesses in the system. Vocational education, though closely tied to the needs of industry, has a low status compared to the academic route of school and university; this is partly because of the confusing jumble of qualifications and examining bodies. There is a need to fit pre-employment courses into a common pattern and to develop some kind of national structure to help them gain currency with employers. On adult education the CPRS report urges closer links between full-time and parti-time studies. If, as is likely, the number of full-time students falls, the universities should be encouraged to fill their capacity by taking on more part-time and mature students.

Yet it is at the transition from education to work where most effort at reform needs to be applied. The most alarming statistic in the CPRS report is that at least a third of those who leave school at 16 go inti jobs where they receive virtually no training; they probably never receive any training in the course of their working life. These people represent a resource which, if put to use through training and education, could contribute both to higher levels of productivity and to lower levels of unemployment.

Brazil courts old enemies

BRAZIL AND Argentina, the two largest and most advanced South American nations, appear to have closed a long chapter of overt hostility and opened an era of active co-operation in politics, trade, industry, energy and transport. The reconciliation has now been cemented by the first visit to Argentina of a Brazilian Head of State in 45 years. President Joao Figueiredo returned home at the week-end after a four-day visit to Buenos Aires, in which he was accompanied by a vast retinue that included nine Cabinet Ministers, nearly 200 businessmen and innumerable middle-ranking officials. The repercussions of his visit could have a profound impact on the whole texture of Latin American politics and the manner in which the subcontinent deals with the rest of the world.

Neighbours

The lion's share of credit for this reversal in traditionally suspicious, obstructive dealings between the two ambitious State's divided by fears of one another's geopolitical aspirations and by different racial and national origins, must go to Sr. Figueiredo himself and to his conciliatory Foreign Minister, Sr. Ramiro Saraiva Guerreiro. On taking office in March last year, Sr. Figueiredo made friendly relations with the rest of Latin America an absolute priority — after years in which Brazil had sought co-operation with virtually everyone except its immediate neighbours. Sr. Saraiva Guerreiro, meanwhile, paved the way for a resurrection of moribund relations with Argentina through quiet negotiations over the development of the two countries' shared river, the Parana.

The nub of controversy had been a mammoth joint dam project planned by Brazil and Paraguay, upstream from the area in which Argentina wanted to build a major hydroelectricity project. Until Sr. Figueiredo arrived on the scene, Brazilian and Argentinian negotiators had found it impossible to agree on the heights and other technical aspects of their respective dams—an impasse that embittered practically every other aspect of the two countries' bilateral relations. Sr. Saraiva Guerreiro, however, managed to work out compromise proposals which gave impetus to the new spirit of friendship that culminated in Sr. Figueiredo's visit at the end of last week.

The emergence of this new political will to co-operate should provide a shot in the arm for the ailing Latin American Free Trade Association (LAFTA), whose organisation is now being reformed. The new mood has also led to an important and wide-ranging co-operation agreement between Brazil and Argentina on the peaceful use of nuclear energy.

With the dramatic improvement in their relations, the two countries are now eager to find common ground in reactor technology and co-operate in their nascent nuclear energy programmes. They are also keen to improve telecommunications in the area, promote joint electricity projects on shared rivers, exchange information on steel and alcohol production and build up trade, which in 1979 stood at $1.6bn — possibly the largest commercial flow between two developing countries.

Politically, Brazil is not hiding its hopes that Sr. Figueiredo's efforts gradually to liberalise his own country may encourage his counterpart, General Videla, to loosen his iron grip on Argentina.

Inspiration

Both countries now hope that their new-found friendship will be a step towards a new and more self-confident outlook for Latin America as a whole. In the past, the subcontinent has failed to make full use of human and natural resources that were always there, but which were largely overlooked as Governments turned to the U.S. or Europe for inspiration, security and technical assistance. The tendency was to stress local differences rather than similarities.

At the same time, Brazil is now developing more active links with Venezuela and Mexico and working to promote regional co-operation through the Andean and Amazon Pacts. Once seen by its neighbours as the hungry giant threatening to consume the rest of the subcontinent, the country is doing its best to alter its image. After a remarkably short time, the first results look encouraging.

Federalism in Canada after the Quebec referendum

BY W. L. LUETKENS in Montreal

QUEBEC has given Canadian federalism another chance. Thus Mr. Rene Levesque, Premier of the French-speaking province summed up the referendum which denied him the authority to try to negotiate sovereignty for Quebec in an economic and monetary union with the rest of Canada.

If English Canada was inclined to gloat, it did not show on Tuesday night as the figures built up to a three-two defeat for Mr. Levesque. Canadian leaders, from Mr. Pierre Trudeau, the Prime Minister, down, appealed for tolerance and reconciliation in a renewed Canadian federation. Mr. Levesque himself, moved to tears but unrepentant, said the verdict had to be accepted.

Thus, he did not take the opportunity to claim at least a moral victory. That would have been open to him if the figures had indicated that a majority of Quebec French speakers had voted "yes" to Mr. Levesque's question. Proof positive is not possible but an early analysis indicates that the French were closely divided, but had narrowly come down on the "no" side.

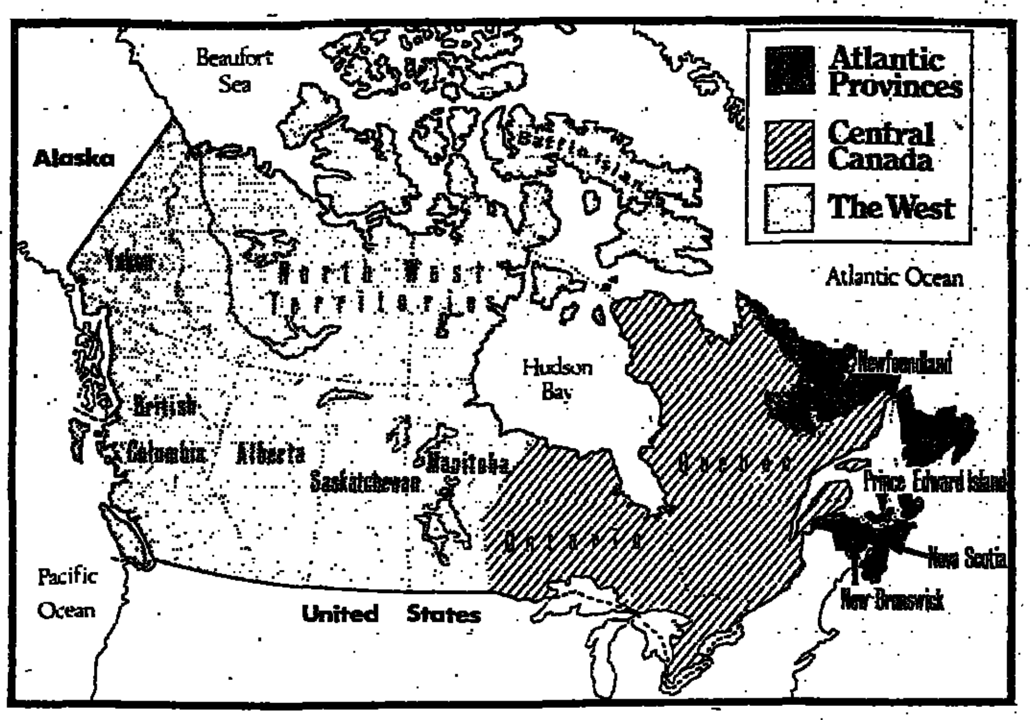
But English-speaking Canada will ignore the narrowness of that margin at its peril. For it was above all the younger generation up to 25 years of age who had voted "qui." The English-speaking minority of about one in five Quebeckers was the mainstay of the "no" vote. It is of British but also of Italian, Greek, Jewish and other origins.

The immediate effect of the referendum upon the rest of Canada is likely to be to revive a determination to accommodate Quebec's aspirations within confederation. Something similar occurred after November 16, 1976 when Mr. Levesque's Parti Quebecois was swept to power in the Quebec national assembly. Several conferences were held to discuss constitutional reform, but the concrete results were almost nil. Mr. Levesque's own determination to hold out for sovereignty which English Canada could and would not concede was the main reason. But English Canada itself turned lukewarm as the shock of 1976 wore off.

English-speaking Canada will ignore the narrow margin at its peril

During the referendum campaign, Mr. Trudeau promised firmly to work for a renewal of Canadian federation to satisfy Quebecois aspirations in Canada. He renewed that undertaking after the result was in.

To this day, French Canadians have not lived down the conquest of 1759 when New France was seized by the British. The French felt colonised and were the poorer part of the Canadian population. Twenty years ago, the average income of French-speaking men in Montreal was half that of English speakers.



That gap has shrunk to less than 15 per cent, but there is more than money and jobs to Quebec nationalism: Mr. Levesque zeroed in on its real nature when he hammered away at his campaign theme that Quebec wished to talk to English Canada as among equals.

It is all part of the process begun by the so-called Silent Revolution in which Quebec emerged from a clerical and reactionary provincial regime into the second half of the 20th century. The leader then was Mr. Jean Lesage, Liberal Premier in the 1960s who came from retirement this year to campaign against Mr. Levesque.

Mr. Levesque himself began his political career as one of Mr. Lesage's ministers: his best-known achievement then was the nationalisation of private power companies and the creation of Hydro-Quebec, a power company owned by the province and one of Wall Street's favourite borrowers.

Hydro-Quebec is an entirely French-speaking organisation, providing proof that not only Canada's English speakers have managerial talent. Its foundation was a landmark on a road which has led an increasing number of Francophones into middle and at time upper managements of Canadian companies.

The Levesque Government has all along claimed to be in a legitimate line of succession reaching to Mr. Lesage and beyond. But its predecessors all worked for the greatest possible rights for Quebec within Canada, whereas the ultimate aim of the Parti Quebecois was known to be political, though not economic, separation. That was a road down which the electorate would not follow, even though the concept of economic union was supposed to silence doubts whether Quebec could be economically viable on its own.

Instead, the voters followed Mr. Claude Ryan (French Canadian in spite of the Irish name) who promised to fight for what he called a "renewed" federalism. The salient points of his proposals are outlined in the panel accompanying this article.

Renewed federalism has become the stock in trade of federalist politicians. But it would be foolhardy to believe that they all mean what Mr. Ryan has in mind.

The various provincial premiers have their own immediate interests at heart which may very well overlap with his ideas. But Mr. Trudeau would probably want to go much less far.

Mr. Trudeau's chief interests are guarantees for French language rights, a difficult matter for Premiers of English-speaking provinces, and the so-called patriation of the constitution. That means agreeing and putting into effect a genuinely Canadian constitution instead of the British North America Act passed by the British Parliament in 1867 when Canadian confederation was created.

Patriation will be possible only once the Federal Parliament and all the provinces agree to petition Westminster to make the change. The last attempt to agree failed at the Victoria conference in 1971. The Liberal Government then in power in Quebec had said "no."

The stumbling-block was a clause laying down how a Canadian constitution could be amended: Quebec was afraid of being outvoted at some future date.

Mr. Ryan has devised a formula which would in effect give to both Quebec and Ontario the right to block amendments, as well as to any two of either the Western or the Atlantic provinces. Something similar was proposed by the Task Force Of Canadian Unity appointed by Mr. Trudeau. Its report was presented last year but somehow was soon forgotten. It put forward the idea of special rights for Quebec which did not go down well with the Prime Minister.

Mr. Trudeau has been talking of a constitutional conference in July. It may easily fail as the Victoria conference did because Mr. Levesque, not Mr. Ryan, will represent Quebec. The Parti Quebecois parliamentary mandate runs until November 1981. If the latest opinion polls may be believed it has an excellent chance of returning to power. The referendum need not necessarily have changed that.

The defeat may, of course, lead to serious recriminations within the party. Some of its members believe that Mr. Levesque would have been wise to campaign for something stronger than a mere mandate to negotiate with an unwilling Ottawa. The defeat may even encourage the re-emergence of those few small groups which 10 years ago felt that bombs were a better argument than ballot boxes.

Just as it is important to realise that the resurgence of Quebecois nationalism is not confined to separatists and supporters of Mr. Levesque's Parti Quebecois, one should bear in mind that provinces other than Quebec often chafe in federation.

The British North America Act originally was a centralist document. It even gave the Federal Government the right to "disallow" or over-rule provincial legislation—though that right has not been used for more than 40 years.

Since the Second World War power has been shifting to the more important provinces as they built up qualified bureaucracies of their own. What was more important was the provision of the BNA giving the provinces control over their natural resources. The oil, gas and uranium of Saskatchewan, Alberta and British Columbia have caused the economic centre of gravity to move westward from Central Canada. Tensions have become inevitable because Ontario and Quebec have about half of the Canadian population and hence of the seats in the House of Commons.

The obvious instance is Alberta's fight since the early 1970s to get the world price for its oil. The price now is C$14.75 a barrel and the struggle continues. Short of shutting down its wells Alberta cannot have it all its own way, in spite of the BNA, as events after 1973 showed. Ottawa then achieved a compromise because it controls inter-provincial and foreign trade and Alberta exports almost half of its oil to the U.S. and wants to increase its sales of natural gas there as well.

Alberta complains that its interests as an oil producer but also as a potential manufacturing province were sacrificed to the traditional manufacturing provinces of Ontario and Quebec. Other Westerners feel similarly. Mr. Allan Blakeney, Premier of Saskatchewan, has said very firmly that it was "totally unacceptable" for the West to be asked to continue buying high-priced protected consumer goods from Quebec if Quebec should decide to leave the federation.

Mr. Blakeney's neighbour, Mr. Peter Lougheed, Premier of Alberta, is extremely bitter because the Federal Government allowed Petrosar, a company which it controls, to build a world-scale petrochemical complex at Sarnia, Ontario, in competition with Alberta's own project.

Quebec comes into the argument with a petroleum chemistry complex at Montreal which no Quebec government will wish to fall behind. Nor will Quebec give up making steel, uneconomic though its plants have so far proved. There is rivalry between provincial governments to offer incentives to new industries and for political reasons Ottawa turns its favours once this way and once that. Sometimes the need to please Quebec prevails; at others Mr. Trudeau's Liberals seem more concerned to raise some support in the West where they returned almost no members in the last two Federal elections.

Provinces other than Quebec often chafe in federation

Inter-provincial rivalries impairing the functioning of the Canadian common market do not end there. There is no fully free movement of construction workers between Quebec and Ontario; some provinces offer tax concessions to portfolio investors in their securities; and in some cases local contractors receive open or hidden preferences in government procurement.

[Details are given in Maxwell and Pestieau. Economic Realities of Contemporary Confedation. C.D. Howe Research Institute, Montreal, 1980.]

The westward drift of economic power may be slowed down by the recent discovery of what may be significant gas and oil reserves off the Atlantic coast. But these could equally accentuate the existing problems between Central Canada and the rest of the country.

Thus the difficulties for a renewal of Canadian federation are great. Mr. Levesque's exclamation: "Here is to the next time." when he conceded defeat did not sound like a surrender. Nor did the great roar of affection from his supporters.

But Canadian federation has again and again proved stronger than anyone suspected. There was much truth in a remark of Mr. Gerard Pelletier, one of Mr. Trudeau's closest political associates, made before the referendum that a "yes" would not be the end of Canada — but "no" would not be the end of the problem.

MR. RYAN'S RENEWED FEDERALISM

AIM: To overcome strains within the Canadian federation by enhancing the powers of all the provinces and giving Quebec additional guarantees.

PARLIAMENT: Replace the nominated Senate by a Federal Council of delegates of the provincial governments, Quebec to have at least a quarter of the seats. Federal measures impinging upon provincial responsibilities to require Council's approval. Otherwise, it has advisory capacity only. System of partial proportional representation to be examined with a view to giving more adequate representation in the House of Commons to regional political tendencies.

SUPREME COURT: Three of nine judges to be from Quebec. Appointment of judges to require ratification by Federal Council.

PROVINCIAL POWERS: Real estate, natural resources, education, involving little change. Social security to be exclusive provincial responsibility though interprovincial migrants would retain right to benefits. As an innovation nuclear power to be provincial responsibility except where defence and international commitments are concerned.

FEDERAL POWERS: Defence and international relations, international trade and tariffs, citizenship, admission of immigrants with enhanced provincial role in their selection. Abolition of Federal right (not used since 1930s) to over-rule provincial laws.

LANGUAGE: The right to use both English and French in courts and legislatures to be guaranteed in Manitoba, Ontario, Quebec and New Brunswick. Provinces with fewer French to make own rules.

THE CROWN: Abolition of monarchy preferred, but does not require immediate attention.

MEN AND MATTERS

Kit braces up for Paris

Kit McMahon, Australian-born deputy governor of the Bank of England—and tipped by some as the next governor—has just won the coveted title of chairman of Working Party 3 of the OECD.

WP 3, in banking jargon, is the 25-strong influential permanent committee which deliberates on the international effects of member countries' balance of payments policies.

McMahon, 52, believes that the present highly formal framework of discussion often strangles real debate: at present each member in turn presents an exposition of his country's position. Under the measured banker's tones, the lingering trace of an Australian accent underlines McMahon's determination to replace old world formalism with free expression.

One of the first issues he wants debated in the new atmosphere is monetarism. Many countries, he feels, are adopting monetary policies for internal reasons without really considering the knock-on effects in the international arena, particularly as regards the flow of capital round the world.

His intention is to wake up his central banking colleagues in advance of an international crisis rather than have to muster a rearguard action.

Silver lining

An incongruous ray of sunlight irradiated one corner of the gloom-laden offices of the Quebec Delegation in the early hours of yesterday morning.

Back in Canad Quebecois' had just voted a resounding "no" to the proposal for sovereignty for the province.

Despondency reigned as the news trickled over the wires from home.

Only in one corner of the room I noticed, was there a glow of quiet contentment; the senior men from the Royal Bank of Canada and London-based consortium banks with Canadian links seemed to be taking it cheerfully.

In the run up to the referendum their fund raising programmes for Canadian companies and the government had been seriously disrupted, they informed me over some passable French wine. International investors simply would not commit themselves to Canadian eurodollar issues at prices fixed in such a political vacuum.

The Quebecois' firm preference for union was just the fillip the market had hoped for and the log jam of Canadian loan issues could begin to break up. As the body of the room began the wake for Le Quebec Libre, the bankers were raising their glasses with quiet smiles.

"Ignore him—he's probably from the new Police Foundation."

Fishy phase

At the CBI dinner the other night, it seemed from where I was sitting as if the president, Sir John Greenborough, was being unduly offensive to his chief guest, the Chancellor of the Exchequer, when he laced his attack on the level of interest rates with a story about what sounded like "piscatoryism."

However, it seems that Sir John, well known for his light-hearted approach to speech-making, was in fact talking about "piscatorialism"—the art of fishing. Criticising the Government for putting too much strain on industry with its monetary policy, he piscatorially suggested that the line should be played with more finesse, otherwise the rod might break and the catch be lost. A gentle winding of the reel to play the fish should not, evidently, be seen as a "U" turn.

Celluloid wound

I hear that the television film Death of a Princess may not, after all, have been the final, determining factor in the departure last month of the British ambassador to Jeddah, James Craig.

"The Saudis seemed to be able to swallow the idea that the British Government couldn't do much about an independent film, but thought that since it owned the BBC, it must be able to ensure a less critical approach from them," I am told. Despite the high incidence of official Saudi spokesmen per square inch in a Panorama programme screened soon afterwards, various remarks seem to have uffled already woundde Saudi sensibilities: the British were asked to withdraw Craig two days after the transmission. "I think," says my man on the inside, "that the Saudis expected a balance, and didn't feel they got it."

No doubt Lord Carrington will steer his way through the minefields with his customary aplomb when he makes what is billed as a definitive statement on Saudi relations at the Middle East Association today.

Miscalculation

A City reader tells me he was much annoyed by the overnight disappearance of his new calculator, a veritable pocket computer able to do practically everything except play chess with him.

Gloomily leafing through the Byzantine instruction booklet, he had what he felt was a good idea, and pinned the booklet on the noticeboard with the message: "Will whoever stole my new calculator please return it immediately? Failing that, here is the instruction manual. Ted."

Two hours later the booklet had disappeared. A note had been pinned up in its place: "Thanks Ted."

Mare's nest

I hear that a mare is threatening the ever-delicate relationship between Honduras and Nicaragua. The ins and outs of the affair are shrouded in mystery, but it seems to be generally agreed that the mare belongs to a Nicaraguan, is worth $19,000, and was forcibly removed from a cattle fair in Honduras by the Honduran police. The incident is the latest in a series of tiffs between the two countries since the Sandinistas overthrew the Somoza dynasty in Nicaragua last year.

Nicaragua accused Honduras of harbouring former members of General Somoza's National Guard. Honduras countered by detaining Nicaragua's ambassador on suspicion that he was passing his time seeking out the national guardsmen. The ambassador, since posted to Moscow, insisted on wearing his guerrilla uniform in public.

Sense of timing

It emerged yesterday that the Norwegian police have more than one reason to be upset by the £500,000 bank raid effected with the help of a squad car parked outside the bank in Drammen, near Oslo. I gather that half of the town's 100 policemen were away that day—attending a conference on "How to Prevent Bank Robberies."

Observer

ECONOMIC VIEWPOINT

A new approach to public sector pay

RIDICULOUSLY high public sector pay settlements will not prevent the rate of inflation from coming down, for all that is written to the contrary. So long as the Government sticks to the money supply and budgetary guidelines laid down in the Financial Statement, in the spirit as well as the letter, *the rate of inflation will turn* down probably further and sooner than Whitehall supposes. One major sign is the shake-out in commodity prices.

By "the spirit" I mean in this instance allowing a firm monetary policy to be reflected in a strong exchange rate. This has already led to a fall in the rate of increase of sterling prices of manufactured exports to just over 5 per cent—*half that of a* year ago; and competitive forces will introduce the same pressures into domestic markets if at a slower and less dramatic pace. In pushing for lower interest rates and a lower exchange rate the CBI is simply one other pressure group and should be treated as such.

The real evil that absurd pay settlements can inflict—whether in the public sector or else*where—is not inflation, but un*employment. The concentration into a twelve month span of the effects of two Budgets and a large energy price increase has caused commentators to overstress inflation. On the other hand the normal seasonal improvement has blinded them to the severity of the deterioration in unemployment and in vacancies. It is this rather than inflation which is likely to produce the main political pressures for perverse policy changes.

Unfortunately many of the purported solutions to the public sector pay problem are much worse than the disease they are aimed to cure.

One part of the problem undoubtedly has been the hangover not merely from the last round of pay policy, but from all the rounds since 1975. It is this which leads to the supposedly catching-up awards for doctors, teachers, civil servants, MPs and hosts of others. To try to escape from the consequences of the last few years of pay policy by embarking on a further venture would be yet another monument to human folly.

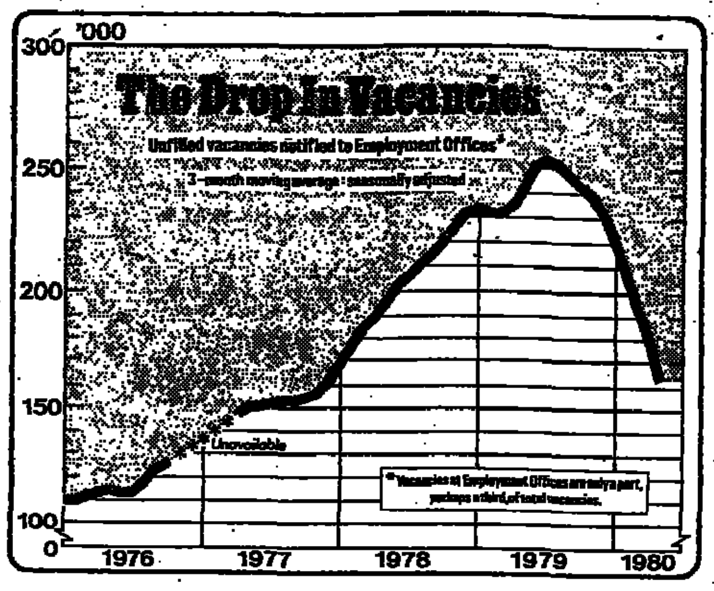
To attempt to use the public sector to "give a lead" in pay restraint would be almost as disastrous as the last year's experience when it has given a lead to pay excess. Both types of error stem from the incomes policy mentality. The reported suggestion of a 10 per cent limit for public sector wage rises is one example of such "giving a lead."

We have been down this route before with the "N minus one" target which the Heath Government set for public sector pay increases in its early phase. A norm for the public sector will sooner or later lead to an

Embarking on a further pay policy venture would be yet another monument to human folly

attempt at a norm for the private sector: then an attempt to secure TUC collaboration. This will in turn require gestures such as holding back pay increases for more highly-paid groups, or workers directly under government control—which will sow the seeds for the next explosion like the present.

Then there are the specific dangers. The 10 per cent figure, or whatever it is, will become a symbol for a struggle of wills leading in some cases to higher settlements than would occur



without such pitched battles; government prestige will become involved in each specific wage dispute: and any settlement above the norm will be *hailed as a defeat for the whole* counter-inflation policy.

But if a pay norm would be *worse than useless, the nostrums* of a more "right wing" flavour do not help much either. For instance, leaving pay to the whims of whichever individuals happen to head nationalised industries is a travesty of a genuine free-market approach. These industries have in varying degrees monopoly power and access to the public purse strings. The only way to take them out of politics would be to denationalise them.

If that is not possible, they are inevitably in the political arena and those who run them are in the last resort public servants.

Nor are cash limits as at present interpreted much of a hope. The nationalised industries can, as Mrs. Thatcher has seen, escape some of their effect by raising prices to the consumer, who is denied access to competitive alternative products.

The weakness of cash limits for public service employees, remunerated out of rates and taxes, is a little more subtle. *Many politicians saw cash limits* operating, as the name suggested, as a fixed money sum, implying a trade-off between pay and numbers employed.

But as was obvious to anyone who looked at official evidence to Select Committees, Whitehall never saw cash limits in this way. The Whitehall idea is to fix the cash limit for each part of the public sector *after* it has some idea of likely wage awards. The only Treasury official who ever hinted at using cash limits as a limit on public sector wage costs was Sir Leo Pliatzky; and he, alas was not speaking for his colleagues and is now retired.

The correct principle to apply to public sector pay is breathtakingly simple. It is that pay offers should depend on the state of the labour market. If there is a shortage of one particular type of public servant — say qualified draughtsmen — they should be given a relativity increase. If there is a surplus of another type — say educational co-ordinators — they should suffer a decrease.

The formula is not, *of course*, specifically a public sector one, but has application throughout the labour market. That is its strength. The difference is that while it is accepted commonsense — although applied imperfectly and with many disguises to avoid offending union susceptibilities — in the private sector, it is revolutionary heresy in the public one, and indeed wherever Ministers or arbitra*tion boards have a say in decid*ing pay.

The Clegg Commission, like most comparability bodies, treats the state of the labour market as almost irrelevant. So does the Civil Service Pay Research Unit and many of the individual public sector tribunals. When the Home Secretary allowed a 25 per cent increase in London taxi fares last weekend, this was justified in *relation to costs and not in* terms of the market for vehicle hire.

The only case I have heard for retaining the Clegg Commission from a senior Minister is that otherwise there might be something worse. It is difficult to see what could be worse than a body which institutionalises the barely meaningful principle of comparability, which in practice means buying off everyone in sight — including those who do not need to be bought off. The chances of transforming Clegg into a body sensitive to labour market realities are about as high as the chance of transforming a mule into a zebra by painting black and white stripes on to its back.

There is no perfect set of institutions which could replace Clegg. In this as in so much else, Ministers and their advisers should think less of institutions and more of principles and policies. If the latter are right, the institutions will take care of themselves: and it does not matter, if they are temporary, untidy, overlapping and anomalous. So is life.

The difficulty, as always, is in applying a simple principle. People will disagree on the state of the labour market. There may be labour shortages in some areas or sections covered by a single negotiation and surpluses in others; and there are enormous vested *interests against differentiated* solutions—such as, for instance, paying a premium for science and mathematics teachers. Coercive union power will sometimes force an excessive settlement in the teeth of market forces and to the detriment of employment.

Most of these pressures also apply *in the private sector.* A market test can give only an indication of the direction in *which to aim. Such a test would* certainly not have suggested the recent massive cave-in on public sector pay, jointly arranged by the outgoing Labour Government and the incoming Conservative one.

If wage settlements are more nearly at market-clearing levels, there will be fewer labour surpluses and fewer pockets of labour shortage—and this will make a bigger contribution to fighting unemployment than any number of bogus job creation schemes or import control devices.

A market-based pay policy is also fairer to young people entering the labour market or to men and women changing jobs. For by offering attractive terms where there are labour shortages and unattractive ones where there is a surplus of would-be recruits, the right signals are given about the declining and expanding sectors of the economy.

* * *

The worst enemy of clear thinking in the whole wages area is the attempt to make a scapegoat of indexation. All that indexation, sensibly interpreted, means is telling the truth. Indexation does not mean guaranteeing anyone that he will never lose out. It means telling the truth about that loss. If earnings have increased too much, it is not because money earnings have been linked to the Retail Price Index. It is because *real* wages — whether

The Clegg Commission treats the state of the labour market as almost irrelevant

in the public or private sector, in general or particular — have been too high for full employment.

To put the blame on indexation — which is in any case largely absent as a formal device except for pensions — is to suggest that pay settlements would be more reasonable if the Government or employers cheated: that is if they offered workers x per cent in the hope that inflation will rob them of more than x. If a real wage cut is necessary, it is better to say so openly than to do so by underhand methods, which are soon fathomed.

The relation which ought to concern the Government, TUC and CBI is not the dubious one between money wages and prices asserted in official briefs, but the relation between real wages and employment. The right kind of indexation could help in getting this appreciated.

It may be difficult to persuade a group to take a limited real wage cut. But it is far more difficult still to persuade people to take an open-ended real wage cut of completely unknown size. If the public sector could enforce 10 per cent money settlements, which is extremely unlikely, it would be any one's guess how big the cut in real wages would be.

Moreover a money norm of this kind would be committing the Government to roughly comparable monetary targets and depriving it of the chance to seize any opportunity to reduce inflation at a more-than-gradual pace.

Might it not be better to try a formula of the following kind? This would be to pay compensation for 40 per cent of the inflation over the last twelve months plus 40 per cent of the inflation over the next twelve months to be paid when it occurs, thus offsetting roughly 80 per cent of the annual inflation rate, half of it forward-looking and half backward-looking. From this *subtract* 3 per cent because *national wages are too high; and* then add X where there are either labour shortages or an overwhelming social case for a rise, or exceptionally strong union coercive power. The size of X would vary but in many cases be zero.

This rough back-of-the-envelope suggestion is offered only as a starting point for others to improve on. As the factor "X" shows, it is not a *national norm; and even the* general formula should be approached tentatively and experimentally. Its merit is that unlike most other suggestions, it focuses on real rather than money wages which are at the heart of the employment problem.

Samuel Brittan

Letters to the Editor

Public sector pay challenge

From Professor P. Minford

Sir,—Your leader of May 20 states that cash limits have been "ineffective" and demands a "policy for pay" in the public sector. This is a misguided reaction to recent public sector pay awards.

These awards were broadly predictable at least a year ago because of the commitment made by Mr. Callaghan, with Opposition endorsement, to deferred public sector settlements. The deferred element was accordingly allowed for within cash limits. Furthermore, these awards are the result of an incomes policy which was (only) operating in the public sector in 1978/1979 and illustrate the point that such a policy merely transfers settlements from one period to another, with no effect on underlying conditions. It would be foolish to repeat this error under a new "policy for pay."

Cash limits, which give the details corresponding to the planned public sector borrowing requirement, cannot affect the monopoly power of public sector unions or of the state industries in which they operate. They are not supposed to; other policies must do this if the Government and the public have the stomach to limit this power and the transfers of real purchasing power *that they are making to these* monopolies. Such policies are highly desirable. But the point remains that this power has been a feature of the economy for two decades or more; it has nothing to do with inflation or cash limits.

Cash limits are necessary to maintain cash control of public spending, in order to achieve the PSBR target. Given a total cash outlay, the Government on behalf of the public decides the proportions in which the cash is to be spent by category. Barring necessary reactions to unexpected shifts of relative prices in the public sector within the year, these limits must be applied as planned to bring down to the level of individual "markets" in the public sector the same trade-off between pay and jobs that money supply limits apply in the private sector.

The logic of this is that cash limits, like the PSBR, must be set consistently with the money supply growth rate. This is already being done under present policies. Negotiators will arrive at a "market solution," given these financial constraints. If the resulting relative prices are unacceptable to society (not least to those made unemployed by the settlements), then action should be taken to curb and preferably eliminate the monopoly power of these groups — openly, directly and permanently. To interfere through pay limits will simply cause a lot of friction with no ultimate effect.

You enumerate nevertheless a number of actions which would have the effect of introducing more competitiveness into the public sector. This is the route to follow. Where actual competition is not available, market tests should be designed to simulate the effects of competition; comparability must be discarded, at least as presently interpreted. The Department of Employment could bend its skills and eagerness for intervention in pay to the business of designing such tests and evaluating competitive, market-clearing wage rates. These studies should be widely disseminated and made the basis for an official attack on the monopoly powers of public sector interest groups.

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Lloyds Bank votes

From Mr. P. Ross.

Sir,—Referring to Christine Moir and Lex (May 10) it would seem that Lloyds Bank is at last giving in to the pressure of pension funds to fully enfranchise their shares. At present shareholdings carry a maximum of 500 votes.

The move is, however, being proposed at a time when small shareholders are proliferating among the profit-sharing staff, many of whom are distressed at the board's current policy of pruning some of the bank's services.

Under the present voting system the recent annual report indicates that 41,917 persons being small shareholders have 8,792,703 votes while 38,155 large shareholders can deploy only 19,077,500 votes. If and when one share/one vote becomes the rule the large shareholders will control 158,716,334 votes: an increase of some 730 per cent.

At present small shareholders (below 500 shares) would only be outvoted by a 2 to 1 majority if all other shareholders were *to oppose them. Under the pro*posed rearrangement they could be outvoted by an 18 to 1 majority if all possible votes were cast.

Even though the original voting rights may have been *unusual the share price reflects* the terms and it seems ludicrous that small shareholders should be expected to relinquish their comparative voting strength for a mere 1 for 20 bonus issue limited to a maximum of 25 shares. Lex's comment that most small shareholders can never have known their rights is no good reason for giving them away.

To increase the small shareholder's voting power by one-twentieth while increasing that of the large shareholders sevenfold does not appear to be either fair nor reasonable.

If the shares were to be split into voting and non-voting issues then the price differential would be clearly seen and the realistic compensation would be evident. A comparison might be drawn with Great Universal Stores where the current differential on a £4 share is 4p. If we take a figure of 3p for the Lloyds share, based on 139.5m shares being fully enfranchised, the total compensation figure would be some £4.18m, or approximately £100 per small shareholder. As the average small shareholding is 209 shares this suggests a level of compensation over three times that now being offered.

This is however a case where staff small shareholders may wish to exercise their voting powers to influence company policy and in the knowledge that they are growing in voting power they may naturally consider that any price is too small for a restrictive change in their rights.

It may be politic for the bank to appear to be giving way to *pension fund pressure now* but small shareholders should vote against the resolution unless realistic compensation is offered.

P. Ross,
82 Cradle Bridge Drive,
Willesborough, Ashford, Kent.

The price of petrol

From Dr. C. Milego-Pertierra.

Sir,—Whatever happened to the 10p tax increase on a gallon of petrol, imposed some two months ago by the Chancellor of the Exchequer?

My local petrol station contented itself with a modest 2p addition to all grades, and it remained at 134p per gallon for four-stars, during the past seven weeks. Not that I am complaining!

But, let some oil producer-exporter country in the Organisation of Petroleum Exporting Countries (the Godsend scapegoat of modern economics ministers) dare announce that, in order to compensate for the obvious devaluation of the U.S. dollar, and rampant world inflation, it is going to put $2 on a barrel of 35 gallons of its crude (i.e., some 3p extra per gallon), and we immediately see the multinational, multi-billionaire oil companies, passing on proportionate triple increases to the suffering consumer.

Might it not be a good idea for all world Governments to have a closer look at what, really, is going on behind those hermetic doors of the oak-panelled boardrooms of the "Seven (Ugly) Sisters"?

C. Milego-Pertierra (Dr.).
32, Birch Grove,
Windsor, Berkshire.

Standard price index

From Mr. R. Sholl.

Sir,—As I understand it, *tobacco and alcohol may be* deleted as they increase the retail price index when value added tax is applied. Why not follow through the idea raised some years ago of having two RPIs.

The first one called general RPI (GRPI) can remain unaltered, the other called standard RPI (SRPI) can be the realistic one. The present RPI is artificial.

SRPI items will include food, rent, rates, electricity, gas, household cleaning materials and small items of clothing. These items in the main would be non-capital in content. Once SRPI had been agreed, then index-link pensions, supplementary benefits etc. If unions want to index-link wages/salaries, that is open for negotiation.

R. C. Sholl.
25, Westbourne Avenue,
Acton, W3.

Flying from Glasgow

From Mr. A. Lucking

Sir,—One way to help Mr. Francey (May 19) and many others would be to insist that *British Airways uses its new* Boeings on the London to Scotland business routes, rather than on ferrying holidaymakers to the Mediterranean. They would burn about £6 worth of fuel less than the thirsty Tridents on a return journey.

As I arrived at Gatwick on Sir Freddie's economical Skytrain from Los Angeles on May 17 (3 minutes early), I noted three of the brand new BA Airtours Boeings on the apron. But of course BA meets true price competition on the holiday routes. Fortunately, it appears that the traffic loss caused by the grossly excessive fare increases is so large that even BA is considering the Boeing option.

A. J. Lucking.
Flat 20,
17, Broad Court,
Bow Street, WC2.

Controlling inflation

From Mr. J. Miller

Sir,—The Chancellor's hopes (May 17) are seemingly based on controlling inflation by controling the money supply through high interest rates. This method could take a very long time, will become increasingly painful to many (evidenced by an increasing number of bankruptcies), and has every chance of failing in its objectives. The chances of success are by no means improved by the action of the Bank of England; for when the pincers really begin to bite the banking system yells for help, is given it, and several more billion pounds are sent on their way to flop around within the system.

In order to combat inflation it is not just the amount of money flow that must be controlled but the speed at which it flows. This speed factor can only be con*trolled by temporarily exercis*ing control through the banking system. It must take the form of som type of credit controls simply because present inflation rates are largely caused by increasing credit facilities. Control credit and you will certainly control inflation. The Americans realised this vital feature and we apparently have not.

The immediate result would be considerably greater pain than we are suffering at the moment. But it need only be for a short time and the chances of curing the patient would be considerably enhanced. How much better than a protracted sickness, increasing pain, no cure and finally a need for much more violent action.

John B. Miller,
Meadow Farm,
Hollesley,
Woodbridge Suffolk.

Making granny happy

From Mr. C. Donld

Sir,—Your article "Making Granny Happy" (May 17) was very fair in drawing a distinction between "nominal" and "real" values. But what percentage of the "grannies" appreciate the difference?.

Many are no doubt "happy" to have doubled their money, and to have preferred this form of saving to other risk-free alternatives. But is it a matter for congratulation that in real terms the "grannies" will have done very little more than get their own back? The real rate *of interest has been virtually* nil, the Government having had the use of the funds almost gratis. Is there not a case for a much larger bonus at the end of five years on the very limited amount which an individual may subscribe, representing probably in many cases much of a lifetime's savings?

C. R. C. Donald.
55, Geraldine Road,
Malvern, Worcs.

Today's Events

GENERAL

UK: Princess Margaret confers honorary degree on Dr. Kurt Waldheim, UN secretary general, at Keele University.

Mr. Len Murray, TUC general secretary, speaks at American Chamber of Commerce lunch, London.

Mr. Edward Heath speaks at Royal National Lifeboat Institution presentation of gallantry awards, London.

PARLIAMENTARY BUSINESS

House of Commons: Housing Bill, completion of remaining stages until 7 pm. Consideration of Lords Amendment to Social Security Bill.

House of Lords: Edward Berry and Doris Ward (Marriage Enabling) Bill, second reading. Industry Bill, third reading.

OFFICIAL STATISTICS

Public sector borrowing requirement and details of local authority borrowing (first quarter). First quarter provisional figures for manufacturers' and distributors' stocks; and for capital expenditure by the manufacturing, distributive and service industries. New vehicle registrations for April.

COMPANY MEETINGS

Beauford Group, George Hotel, Huddersfield, 12. Bifurcated Engineering, Mandeville Road, Aylesbury, Bucks., 12. Cadbury Schweppes, Grosvenor House, Park Lane, W, 3. Clayton Son, Queens Hotel, City Square, Leeds, 2. Delta Metal, Waldorf Hotel, Aldwych, WC, 12. Dinkie Heel, Eurocrest Hotel, Filton Road, Hambrook, Bristol, 12. General Investors and Trustees, 1-2 Laurence Pountney Hill, EC, 12. Invergordon Distilleries, Merchants House of Glasgow, West George Street, Glasgow, 12.30. Jamesons Chocolates, Willoughby Lane, Tottenham, N, 2.30. S. Jerome, Post House, Bramhope, 12.30. London and European, Connaught Rooms, Great Queen Street, WC, 12. Thomas Marshall, Tapton Masonic Hall, Shore Lane, Fulwood, Sheffield, 12. Wm. Morrison Supermarkets, Hilmore House, Thornton Road, Bradford, 11. William Nash, Cray Valley Paper Mills, St. Pauls Cray, Orpington, Kent, 2.30. Norvic Securities, Hotel Norwich, Boundary Road, Norwich, 12.30. Reckitt and Colman, Connaught Rooms, Great Queen Street, WC, 11. Sharpe and Fisher, Golden Valley Hotel, Gloucester Road, Cheltenham, 12.

BOC sees profits and turnover fall midway

IN SPITE of a reduction in borrowings, higher interest charges of £27.3m against £25.6m pushed pre-tax profits of BOC International back by £1.2m to £31.1m in the six months to March 31, 1980.

The results have been prepared on a modified historical cost basis, in that almost all fixed assets are stated at net replacement cost, and depreciation—up from £39.8m to £44.6m — is charged accordingly. Had depreciation been charged on a historic cost basis, the taxable profit would have been £48.1m (£46.3m).

On a full CCA basis, including monetary working capital and gearing adjustments, the first-half profit is reduced to £29.8m.

The interim dividend is lifted from 1.9p to 2.1p net—last year a total of 4.2p was paid from profits of £72.7m.

Turnover of the group, which manufactures industrial and medical gases and related equipment and provides computer and offshore rig services, fell from £624.1m to £615.9m. Operating costs were lower at £515.6m (£528.8m) and the trading surplus, after depreciation but including associates' profits of £2.7m (£2.4m), rose slightly to £58.4m (£57.9m).

Earnings, after tax of £11.6m (£15m) and minorities of £3.6m (£3.3m), are shown as 5.91p (5.26p) per 25p share on a nil distribution basis, and 4.89p (4.32p) net. With depreciation charged at historical cost, earnings on a net basis would be 9.87p (8.33p).

A group balance sheet as at the end of the first half shows fixed assets of £877.6m against £808m at September 30, 1979. Shareholders' funds were up from £516.3m to £587m and net borrowings were £481.2m (£451.3m).

Lex, Back Page

HIGHLIGHTS

Lex examines the outlook for exchange and interest rates in the light of sterling's strong jump against the dollar, its peak trade-weighted value for several and the further fall in money costs in New York. The column also considers the interim figures from BOC International and annual profits from one of the national brewers, Whitbread. Bamfords, the agricultural machinery group, called for a suspension of its listing yesterday, while Lanca applied for a requotation after several years in limbo. Waring and Gillow's bid for Maple has succeeded and Pilkington has won approval to go ahead with its proposed European float glass deal. Duport, the steel and engineering group, reported higher profits despite heavy external strike costs, and Stenhouse went against the current trend in insurance broking fortunes with a slight earnings improvement.

Lanca seeks listing

Manufacturers and wholesalers of ladies' handbags, Lanca, is applying to the stock exchange for a listing of its 1.1m 20p ordinary shares. The company's quotation was suspended in December, 1972 when negotiations were in progress to acquire two unquoted companies. The negotiations failed, trading losses were subsequently revealed and the shares remained suspended.

In 1979, pre-tax profits were £189,000 on turnover of £1.9m. Dividends have been paid for the last five years, reaching 2.4p net in 1979.

Redman Heenan dips £0.1m at six months

TAXABLE PROFITS of Redman Heenan International, specialist engineering group, slipped by £0.1m to £1.09m in the six months to March 31, 1980, after interest up from £22,000 to £104,000.

The directors say order intake started slowly following the engineering strike but picked up somewhat in the second quarter. However, some hesitancy has again appeared and they believe full-time results will do well to show some improvement on last year's level, when pre-tax profits reached £3.41m.

Half-year sales amounted to £18.73m, compared with £24.28m which included £6m for long-term contracts which made no contribution to profits.

The net interim dividend is raised from 2p to 2.2p—last year's total was 4p.

The first-half available balance came through higher at £1.11m, against £0.84m, after a reduced tax charge of £0.27m (£0.36m) and an extraordinary credit this time of £0.28m.

● comment

Redman Heenan has said goodbye to the profitless long-term contracts which made up £8m of last year's turnover, with £6m falling out of the half-on-half comparison. Underlying performance has therefore been static, though a credit from the Heenan Coolers sale boosts retained profits. Within the group, Froude—which probably accounts for around 40 per cent of profits—continues to advance: the accent for the current year is on an American marketing drive. Offsetting that, Redman Fisher suffered a five-week strike. Its contribution is of a similar order. Environmental control remains dull, with HES still marginally in loss, while in metalworking plant Fielding and Platt saw a slow half. For the full-year, the board signposts little better than maintained profits. But if the second half proves free from disruption, some leeway may be made up. The historic fully-taxed p/e is 7.3 at 66p. Assuming a similar increase in the final dividend, the prospective yield is 10 per cent.

Chamberlin and Hill tops £1m

PRE-TAX profits of Chamberlin and Hill, castings and electrical switchgear manufacturer, increased by 35 per cent to £1.02m in the year to March 31, against £0.75m the previous year. Turnover was up almost 24 per cent at £10.57m, compared with £8.56m.

The directors say the increase in profits is due largely to a full year's contribution from the group's latest acquisition, Solenoids and Regulators.

Tax for the year took £449,570 (£354,476), leaving an attributable balance of £568,748 (£398,814).

A final dividend of 1.5p (1.148) makes the total for the year 2.6p, against an equivalent 2.028p. Stated earnings per 25p share are 16.77p (11.56p).

Avon Rubber lifts profit

WITH TURNOVER higher at £81.15m, compared with £74.28m, pre-tax profits of Avon Rubber Company increased from £431,000 to £784,00 for the half year to March 31, 1980.

The directors say profits suffered from the effects of high interest rates, the firm pound in relation to export business and a decline in demand caused by lower levels of activity in many of the group's UK customers.

Measures taken within the group to improve efficiency are showing benefit and these are being intensified.

Half-yearly profits were struck after depreciation of £1.53m (£1.56m) and finance charges up from £1.47m to £2.33m, but included an increased associate's share of £110,000 (£15,000). Kenyan companies are now treated as associates and not subsidiaries.

Tax charge was down from £288,000 to £235,000 and after minorities, attributable profits increased by £409,000 to £520,000.

Earnings per £1 share moved ahead from 1.5p to 7.6p, but the net interim dividend is held at 4p per share, costing £265,500—the 1978-79 total was 10.3571p on £2.55m taxable profits.

The group's products include tyres, industrial rubber and engineering components, inflatable craft and specialised medical items.

● comment

An 82 per cent increase in interim profits may look impressive but Avon's first half last year was nothing short of catastrophic and this year's margins are diminutive. The good news is that tyres—still the mainstay of the business—did considerably better, suggesting that UK demand may be pulling out of a slump. Much will depend in the second half on whether customers continue to destock in the face of poor vehicle sales and high interest rates. Tyre margins are still far from satisfactory and industrial polymers, which produced over half last year's profits, are suffering abroad from a strong pound and at home from sluggish car production. As the recession deepens, Avon could be hard pressed to match last year's £2.55m profit. On a 20 per cent tax charge the shares, down 3p at 116p yesterday, trade on a prospective p/e of around four, while the yield is 13 per cent.

Record by Advance Laundries

AFTER REPORTING a first-half rise from £1.78m to £2m, taxable profits of Advance Laundries reached a record £4.48m for 1979, compared with £3.66m previously. Turnover for the year improved from £27.37m to £30.15m.

With SSAP 15 adopted, tax charge rose from an adjusted £451,000 to £972,000. After minorities of £1.12m (£0.99m) and extra-ordinary credits of £593,000 (£14,000 debits), attributable surplus advanced from £2.21m to £2.97m.

A final dividend of 2.3p (1.768p) lifts the total net payout from 2.068p to 2.6p per 10p share, costing £769,000 (£612,000).

Lonrho answers back

LONRHO HAS circulated to its shareholders an extended criticism of an article which appeared in the Lex Column of the Financial Times on May 17. Lonrho says that Lex made "a highly prejudiced comparison between the administration of Lonrho and that of the House of Fraser. We feel that our record of over 20 years of growth and reinvestment should amply clear this point."

The only point where Lonrho agreed with the Lex article was on the subject of its own low market rating.

Lonrho says that the most absurd point made by Lex was that Fraser had been a better investment over 10 years than had Lonrho. The sole support for the Fraser share price is the possibility of a bid from Lonrho.

"As to the House of Fraser," the circular adds, "it is not the foresight and sobriety of their directors which have rescued a poor investment—it is the hearty nibbling of your company, Lonrho."

Lonrho says that contrary to the suggestion in Lex, its total borrowings relate well to reserves and assets. About £75m is in respect of third party exports financed by its wholly owned confirming companies, which are largely insured by ECGD and other international credit agencies. It adds that the figure for acquisitions in the six months to March was not £110m but £88m, and that its borrowings at the beginning of the six month period was £347m and not £307m.

According to the circular, Lonrho's business methods have made the group about three times the size of Fraser in terms of turnover and profits, and enabled it to make an adequate return to its shareholders on their capital.

Mr. R. W. Rowland, Lonrho's chief executive, tells shareholders "We are glad to have this opportunity provided by Lex to answer some poorly researched criticisms, and hope for your continued confidence."

A copy of the letter is also going to Fraser shareholders.

Two water issues

Folkestone and District Water Company is raising £2.5m through an offer for sale by tender of 10 per cent preference stock redeemable at par on June 30, 1983.

Minimum price of tenders is £100 per cent. Tenders for a minimum of £100 must be received not later than 11 am on May 28 with a deposit of £10 per cent on application. The first dividend will be £5.189 per cent payable on January 2, 1981, and thereafter dividends calculated to June 30 and December 31 will be payable half-yearly on July 1 and January 2.

North Surrey Water Company is raising £2m by an offer for sale by tender of 10 per cent preference stock redeemable at par on June 30, 1983.

Minimum price of tenders is £100 per cent. Tenders for a minimum of £10 must be received not later than 11 am on May 28 with a deposit of £10 per cent on application. The first dividend will be £2.71 per cent payable on October 1, 1980, and thereafter dividends calculated to March 31 and September 30 will be payable half-yearly on April 1 and October 1.

AIR CALL

Shares in Air Call, the radio paging and medical deputising service, closed at 180p after initial dealings yesterday. The shares, which trade under The Stock Exchange's rule 163 (2), were placed last week at 150p.

GLYNWED AGM

The annual meeting of Glynwed will be held in Birmingham on June 18, at 3 p.m.

SPAIN

May 21	Price %	+or−
Banco Bilbao	206	+3
Banco Central	219	+2
Banco Exterior	207	+4
Banco Hispano	204	+4
Banco Ind. Cat.	122	
Banco Madrid	141	
Banco Santander	240	+3
Banco Urquijo	143	+3
Banco Vizcaya	212	+4
Banco Zaragoza	200	
Dragados	78	+1
Espanola Zinc	60	
Fecsa	60.7	+0.5
Gal. Preciados	24	
Hidrola	66	
Iberduero	60.2	
Petroleos	101.5	+0.5
Petroliber	59	
Sogefisa	107	
Telefonica	53	+0.5
Union Elect.	65.5	+0.3

Stenhouse edges ahead to £5.79m for first half

DESPITE CONTINUING difficult conditions in world insurance markets and a further strengthening of sterling, insurance broking profits of Stenhouse Holdings increased from £36.78m to £39.43m for the six months to March 31, 1980, and profits before tax, including Reed Stenhouse, moved up £0.14m to £5.79m.

However, attributable pre-tax surplus slipped from £4.03m to £3.4m, with comparison distorted by the inclusion last time of £998,000 profits from the industrial interests, which were sold in January, 1979.

The holding company's net income of £160,000 (£127,000 expenses) has benefited from a high level of interest earnings on the net proceeds from the sale of these interests. Associate's contribution from the groups 20 per cent interest in Noble Grossart was £128,000 (£112,000).

With premium income up from £306m to £324m, improved insurance broking profits were due largely to excellent results in the UK and higher interest earnings. Net interest and dividends received increased from £1.53m to £2.24m. Operating expenses were up to £33.77m (£31.25m), mainly as a result of higher salary and related costs.

Insurance broking profits for the full year are expected to show a satisfactory advance over the previous years £77.82m.

Good performances in the half year came from operations in France, Belgium, South East Asia and New Zealand, but conditions were difficult in Australia and the U.S.

Tax for the six months was down from £2.08m to £1.8m, but after extra-ordinary debits of £260,000 (£389,000 credits) mainly reflecting currency realignments, profits emerged £1m lower at £1.34m. The group, which earns more than 60 per cent of its profits overseas, lost around £300,000 in currency translations.

Earnings per 25p share are shown as 4.21p, before extra-ordinary items, compared with 5.14p.

An interim dividend will be declared on August 14, payable on September 29. For the year ended September 30, 1979, an interim of 1.82p net was followed by a final of 2.7p.

● comment

Strip out the contribution from industrial activities to group performance and taxable profits at Stenhouse Holdings, have held up well on a comparable basis. There are several factors unique to Stenhouse which are underpinning earnings in contrast to the rest of the insurance broking sector which is under pressure. A large proportion of Stenhouse's broking costs are incurred in the currencies in which revenues are earned so it has avoided much of the exchange rate squeeze which other brokers in the UK are forced to endure. Moreover, thanks to its Canadian connections, Stenhouse is nearer the grassroots of its overseas business which means that the links it needs to establish to generate business from North American markets need not be as complex as some of its competitors. Recovery of cash and the flow of cash is simpler and quicker which helps boost group's own investment income. The shares rose 1p to 75p but are only likely to remain a steady market in a dull sector.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Advance Laundries	2.3	—	1.77	2.6	2.07
Avon Rubber int.	4	July 7	4	—	10.36
Bremar Trust	0.95	—	1.0	1.95	2.0
BOC Intnl. int.	2.1	Oct. 1	1.9	—	4.2
Chamberlin and Hill	1.5	—	1.148	2.6	2.028*
Chemring int.	1.8	July 18	1.65	—	3.3
Duport	3.12	July 1	2.98	5.24	5.15*
Hartwells Group	3.59	July 31	3.11*	5.37	4.6*
Idris Hydlc. Tin 3rd int.	6	July 21	2	14	8
Ldn. Atlantic Inv.	2.75	July 14	2.1	4.5	3.6
London Prudential	2.5	—	1.95	4.5	3.45
London Trust	3.75	July 3	2.75	6.0	4.75
Narborough Rbr. int.	0.7†	June 30	0.7	—	1.3
Progressive Secs.	2.5	—	2.14	3.75	3.19
Redman Heenan int.	2.2	Sept. 26	2.0	—	4.0
Silverthorne Gp. int.	0.5	July 7	0.5	—	1.3
Stonehill Holdings	4.5	July 25	4.5	8.5	8
Toye and Co.	1.63	July 1	1.4	1.63	1.4
Unochrome Inds. int.	0.25	July 7	Nil	—	0.4
Westward TV int.	0.65	June 26	0.65	—	2
Whitbread	4.35	July 25	3.48	6.0	4.76
Yorks Lancs Inv. int.	0.65	July 9	0.5	—	1.25

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Including 0.1335p to compensate for change in tax rate. § To reduce disparity. ‖ Gross throughout.

Toye holds profit in second half

FOR THE year 1979, profits of Toye and Co. are up from £387,725 to £451,444. The whole of the increase was achieved in the first half.

Turnover of this manufacturer of civil and military regalia and jewellery, rose from £6.55m to £7.85m. After tax £38,151 (£2,013) net profit came out at £413,293 (£385,712) and the dividend is 1.625p net (1.4025p) net. Earnings were 18.56p (17.17p).

FACTORY BUILDINGS

Following the publication of the offer document on behalf of Glasserton Company to acquire London Intercontinental Trust at 14p per share, Factory Buildings (City) has announced that it no longer intends to make an offer for LIT.

Halved profit for Westward TV

REFLECTING THE effects of the national ITV strike last autumn, which cost it some £2m in lost revenue, Westward Television suffered a sharp reduction in trading profits from £1.16m to £0.58m for the half year to January 31, 1980, while net advertising revenue fell from £4.52m to £3.84m.

However, as a result of the high incidence of Exchequer Levy and tax, which took £272,000 (£732,000) and £162,000 (£222,000) respectively, the shortfall at the net attributable level was cut to £55,000 at £150,000.

Mr. Peter Cadbury, the chairman, says that sales since the end of the strike have been buoyant and have been running at record levels on a comparative monthly basis. He is hopeful that this will continue through the end of the company's financial year.

In view of the current trading figures and the recovery that has been achieved since the strike, the interim dividend is being maintained at 0.65p net per 10p share—the 1978-79 total was 2p on trading profits of £2.1m.

The group has taken advantage of the new regulations approved by the IBA for the depreciation of technical equipment on an indexed revaluation basis and depreciation charge for the period was up from £189,000 to £210,000.

● comment

Like all commercial television companies, Westward Television was hard hit by the ITV strike last autumn. But while revenue at the interim is down by nearly half, profit after exchequer levy and before tax has fallen only 27 per cent. In the second half though, the exchequer, as usual, will take most of an anticipated trading profit improvement. If Westward makes £650,000 on the year after levy and before tax, the shares, which gained 1p to 22p yesterday, would be trading at less than seven times prospective earnings. If the final dividend is at the same rate as last year, the prospective yield is a useful 13.4 per cent. But the losses caused by the strike may leave the final dividend a little lower.

£7.5m advance by Whitbread

PRE-TAX profits of Whitbread and Co. expanded to £61.84m in the year to March 1, 1980, compared with £54.35m in the previous 53 weeks. Turnover rose by £78.58m to £738.47m.

The mid-term taxable surplus was up from £31.93m to £36.31m.

The directors say the group continued to gain share in the market place during the year, and total beer volume increased.

Profits for the year were struck after increased depreciation of £16.94m (£14.83m), and interest of £13.39m (£10.91m), but included lower foreign exchange gains of £53,000 (£182,000). Income from trade investments improved from £2.39m to £2.66m.

The net total dividend is raised by 25 per cent to 6p (4.7577p), with a final of 4.35p. Earnings per 25p share are given as 21.88p (19.48p) basic, and as 21.3p (17.94p) fully diluted.

Tax charge was lower at £7.8m, against £9.53m. There were extraordinary credits of £1.69m (£1.64m).

The directors propose to establish a share ownership scheme. If approved, the first allocation of profits to the scheme will amount to £1.92m gross (£0.92m net).

The directors say that, in the lager section, Heineken and Stella Artois both continued to perform well, and two new brands were added to the portfolio with encouraging results. The group has a full range of lager brands with which to maximise the future growth opportunities, they add.

In ales, the performance was the best for many years, with Trophy Bitter selling strongly, supported by a wide range of local brands. Speciality ales also did well.

Trade in wines and spirits and in soft drinks was generally in line with respective markets, with encouraging results for Crown of Crowns and for Rawlings' fruit juices and mixers.

Total investment in the trade was at a record level and the directors were pleased with the returns from the expanding chain of Beefeater Steak Houses.

The Scotch whisky subsidiary, Long John International, also had a good trading year, with market share gains in many European countries. The newly-acquired Scoresby brand was the best-selling Scotch in California and other western states of the U.S., they add.

Langenbach wine improved its performance in Germany and the UK, but was trading in a depressed sector of the U.S. market, whilst Whitbread Belgium increased its share of the local market.

Lex, Back Page

Holliday moves into £0.36m loss

A LOSS before tax of £355,829 is reported by L. B. Holliday (Holdings), the privately-owned airline dye manufacturer, for the year to June 30, 1979, compared with a profit of £574,792 the previous year. Turnover was up to £14.03m against £13.41m.

There was a tax credit of £235,077 (£317,483 charge).

Bamfords suspended

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

SHARES IN Bamfords, which makes and distributes agricultural machinery, were suspended yesterday pending further clarification of the company's position. The company made no further statement.

Last November, Bamfords revealed a loss of £223,000 for the first half of 1979 and omitted the interim dividend. In the first six months of the previous year, there was a taxable profit of £730,000, but this was reduced to £634,000 at the year-end.

The directors warned in November that the engineering dispute had resulted in considerable loss of production and reduced productivity, although sales in the second half were showing a slight increase. Since then, the company has suffered a further prolonged strike of its own.

Bamfords makes balers, and also imports equipment, particularly combine harvesters. One of its most important concessions is on the Laverda combine which it brings in from Italy. Balers are a particularly competitive product because they are made in competition with the multi-national agricultural equipment manufacturers. On top of this, the market has been poor in the UK for the past couple of years with farmers switching over to forage harvesters.

The overall market for agricultural equipment has not been good recently, largely because the level of real income enjoyed by farmers has been falling—the National Farmers' Union calculates it has dropped by 27 per cent in two years.

Confidence is not high among farmers because of the unresolved bargaining situation on Common Market farm prices, and it could be several months before farmers take the plunge and start buying equipment again.

In addition to the specific market conditions relating to agricultural equipment, Bamfords, like many other engineering concerns, is suffering from the problems associated with the strong pound (the company has quite a good export business), high interest rates which are a heavy burden for a company with a lot of short-term borrowing, and increasingly competitive conditions in the home market.

Other companies which have pointed recently to weaknesses in the sector include Howard Machinery, which has cut its workforce by nearly half over the past year, and International Harvester, which will be putting its workforce on short time next week because of falling demand for tractors.

MINING NEWS

U.S. coal mines wage hard legal battle

BY PAUL CHEESERIGHT

A SUSTAINED legal effort by the National Coal Association in the U.S. to curb the more costly effects of regulations supporting the contentious Surface Mining and Reclamation Act 1977 is meeting with some success, member companies are being told in a special report compiled by their officials.

So far 70 regulations have been suspended by the courts or sent back to the Office of Surface Mining for re-drafting, NCA officials said yesterday.

The OSM is the federal agency drafting and implementing the regulations to give teeth to the legislation passed by Congress. The Act is designed to control the surface mining of coal and to ensure that land once mined is restored to its original state.

But the industry, represented by the NCA, has consistently argued that many regulations promulgated by the OSM have been far more stringent than necessary to meet the basic environmental aims of the Act. Because they have been excessively strict, the industry has said it is being saddled with extra costs at a time when national policy has decreed that they should be expanding production.

Legal actions so far have forced the OSM to rewrite some of their regulations, NCA officials noted. But the litigation had not finished and it is conceivable, they added, that the OSM itself could return to the courts.

The NCA, which has a task force of 300 divided into six sub-committees at work on examining the Act's regulations, had what appears to be a significant success in the Washington DC federal District Court last week.

The Court decided that state regulations should be consistent with federal regulations. This seemed to remove confusion between the different levels of government on the application of environmental standards and to reduce the number of legally contested areas.

Earlier court decisions on more technical matters have covered areas like blasting and water control.

The federal Appeals Court in Washington DC sided with the NCA in agreeing that the OSM had no technical grounds to support a measure to reduce the explosive level of blasting used in surface mines. The OSM had been concerned about ground vibration.

The Appeals Court also agreed that water control standards, relating to the run off from mine sites, set by the Environmental Protection Agency, were adequate. The OSM had sought more restrictive standards, which would have involved industry in the construction of more elaborate and costly sedimentation plants.

The detailed legal arguments involved on these and other issues are part of a wider debate within the U.S. about how to find a balance between higher environmental standards and continued economic growth.

The debate is of special concern to the coal industry. On the one hand it is being pulled forward by the force of a national policy which seeks to lower dependence on imported oil. On the other hand it is fearful of the higher costs involved in more rigid environmental controls at a time of escalating capital requirements and of sluggish market demand.

Although the NCA is expecting total U.S. production to increase by about 5 per cent to around 800m tons this year, there are still 12,000 miners out of work in West Virginia.

White Industries group reveals plan to ward off bid from Bond

THE BATTLE for control of White Industries, the New South Wales coal group, took another turn yesterday when a group of shareholders associated with the White board revealed that they had entered into an agreement not to deal in White shares owned or controlled by them "except in certain circumstances designed to achieve equal treatment of all shareholders."

The group includes Mitsubishi Development of Japan, the White family and associated companies, reports James Forth from Sydney.

The agreement was entered into on April 16, more than two months after a share market contest in which interests associated with Mr. Alan Bond, the Western Australian businessman, sought to gain control of White.

The shareholders involved in the agreement claim to speak for 54.6 per cent of White's capital, but this is disputed by the Bond interests. Endeavour Resources, a member of the Bond group, claims that it already holds 43.56 per cent of White, and has offered A$20 (£10) a share for the 7.5 per cent it needs to lift its stake to 51 per cent.

The Endeavour offer price tops the A$18.25 offered by Mitsubishi Development, a wholly-owned subsidiary of Mitsubishi Corporation. The Japanese company was seeking to lift its holding in White from 15.36 per cent to 25 per cent, and its offer has received the approval of the Foreign Investment Review Board. At present, however, the shares of both Endeavour and White are suspended from trading.

Revealing their agreement yesterday, the White group said that initial legal advice suggested that this did not give them a "relevant interest" in White under Australian company law.

The agreement provided that the parties would not deal in White shares without the written consent of the other parties, except where the deal was a bona fide sale for cash payable in full on completion, and unless a prospective buyer first extended a comparable offer to all other White shareholders.

BH METALS

The latest shooting start in the Australian junior mining stocks league, Broken Hill Metals, has responded to a Perth Stock Exchange query on the reasons behind the recent advance in the share price to 95 cents (47p) from 68 cents. BHM said that "an important announcement" is due soon which is subject to legal documentation and approval from the relevant authorities.

A possible clue to what may be in store was provided in the company's last quarterly report which said that negotiations were under way with a major company and other parties regarding its 7,000 acre coal lease at Mitchell's Flat in New South Wales. Whispers have it that BHM is hoping to make use of a new coal pulverisation process. There is little market in the shares in London where a price in the region of 42p to 48p is indicated.

Unochrome doubles with £0.6m

PRE-TAX profits of Unochrome Industries (formerly Unochrome International), industrial holding company, showed a substantial improvement from £304,000 to £620,000 in the six months to March 31, 1980.

After tax up from £154,000 to £252,000, stated earnings per 10p share increased from 0.74p to 2.05p, and the interim dividend is 0.25p (nil)—last year's final was 0.4p from pre-tax profits of £860,000.

It is probable, states the Board, that the aftermath of the steel strike on the manufacturing industry will be worse in its effects than the period of the strike itself. Recessionary influences are increasingly evident throughout many, but not all, of the market sectors served by the company's operational company.

Given these factors, and the inevitable effect on production of holidays in the summer months, it is unlikely that the group overall will achieve a repeat of its first half performance over the rest of the financial year, says the Board.

Turnover in the first half improved from £6.66m to £7.66m.

Silverthorne Group, which is 71 per cent owned by Unochrome, reports a fall of £31,000 to £129,000 in its pre-tax profits for the six months to March 31, 1980.

Redundancy and other exceptional costs of £27,000 have been incurred in implementing the first stages of the merger with the Cradley Heath and Dudley Company.

After tax lower at £49,000 against £83,000, stated earnings per 10p share are 2.29p (2.2p), and the interim dividend is unchanged at 0.5p—last year's total was 1.5p from pre-tax profits of £274,000.

The Board states that the group has benefited from an excellent contribution by the Abbey Metal Finishing Company which has achieved a substantial increase in volume of business. The chainsaw and garden machinery division has also maintained a good performance.

Profitability in these areas has, to some extent, been offset by a small trading loss in the consumer product and component manufacturing section arising from inevitable disruption to production during the process of merging the Cradley Heath and Dudley Company.

Further costs of implementing the merger amounting to approximately £30,000 will be incurred in the second half of the year.

Turnover of Silverthorne, manufacturer of housewares and consumer goods, chain saws and garden cultivators, was down from £2.24m to £2.22m.

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

1979-80 High	Low	Company	Price	Change	Gross Div (p)	Yield %	P/E
99	60	Airsprung	67	—	6.7	10.0	4.0†
50	26	Armitage and Rhodes	34	—	3.8	11.2	2.2†
275	167	Bardon Hill	275	—	13.8	5.0	8.1†
100	78	County Cars 10.7% Pf.	78	—	15.3	19.6	—
101	63	Deborah Ord.	82	—	5.0	5.4	10.1
120	83	Frank Horsell	120	—	7.9	6.6	7.4
129	98	Frederick Parker	98	—	12.8	13.1	4.5†
156	102	George Blair	105	—	16.5	15.7	—†
72	45	Jackson Group	72	—	5.2	7.2	4.2†
152	107	James Burrough	108	—	7.2	6.7	9.5
300	242	Robert Jenkins	290	—	31.3	10.8	9.3†
232	175	Torday	224	—	14.3	6.4	5.8†
34	11½	Twinlock Ord.	14½	—	0.8	5.8	2.8†
80	70	Twinlock 12% ULS	70	—	12.0	17.1	—
66	23	Unilock Holdings	46	—	2.6	5.6	9.8
50	45	Unilock Holdings New	45	—	—	—	9.6
99	42	Walter Alexander	90	—	4.4	4.8	6.0
208	138	W. S. Yeates	208	—	12.1	5.8	3.4†

† Accounts prepared under provisions of SSAP 15.

EUROPEAN OPTIONS EXCHANGE

Series		July Vol.	July Last	Oct. Vol.	Oct. Last	Jan. Vol.	Jan. Last	Stock
ABN C	F.300	—	—	3	6.50	—	—	F.286
AKZ C	F.22.50	88	1.70	1	2.50	17	3	F.23.80
AKZ C	F.25	36	0.60	29	1.40	7	1.80	"
AKZ C	F.27.50	1	0.30	113	0.70	—	—	"
AKZ P	F.22.50	—	—	—	—	1	1.60	"
AKZ P	F.27.50	—	—	10	4	—	—	"
ARB C	F.65	—	—	10	2	—	—	F.62.30
HEI C	F.60	10	4.10	—	—	—	—	F.60.50
HEI C	F.65	18	1.20	—	—	—	—	"
HEN C	F.60	3	4.20	—	—	—	—	"
HO C	F.15	2	2.80	5	3	—	—	F.16.60
HO C	F.17.50	—	—	5	1.40	10	1.80	"
IBM C	$60	15	5⅛	—	—	—	—	$52⅞
KLM C	F.60	10	6.20	—	—	—	—	F.64.30
KLM C	F.70	38	1.80	27	3.20	1	4.80	"
KLM C	F.80	1	0.20	58	1.50	—	—	"
KLM P	F.60	66	2.50	12	4.10	—	—	"
KLM P	F.70	26	7.50	7	10	—	—	"
KLM P	F.80	30	16.50	—	—	—	—	"
NN C	F.115	—	—	4	5.20	—	—	F.116.50
NN C	F.120	1	1.60	—	—	—	—	"
NN P	F.120	3	7	—	—	—	—	"
PET C	Fr.6000	10	50	—	—	—	—	Fr.6050
PHI C	F.17.50	—	—	5	1.30	135	1.90	F.17.70
PHI C	F.20	1	0.20	100	0.50	18	0.90	"
PHI P	F.17.50	—	—	7	0.90	—	—	"
PHI P	F.20	—	—	5	2.30	—	—	"
PSA C	F.240	3	5	—	—	—	—	F.223
PSA C	F.260	3	3.50	—	—	—	—	"
RD C	F.150	152	10.50	60	12	—	—	F.157.30
RD C	F.160	316	4	303	6.80	1	8.30	"
RD C	F.170	103	0.90	75	2.80	—	—	"
RD P	F.140	82	0.60	12	2.50	—	—	"
RD P	F.148	10	1.20	2	4.40	—	—	"
RD P	F.150	148	3	170	5.70	—	—	"
RD P	F.160	232	6.50	—	—	3	13	"
RD P	F.170	95	14	—	—	—	—	"
UNI C	F.115	1	1.20	10	3.50	—	—	F.108.80
UNI C	F.120	—	—	—	—	1	3.50	"
UNI P	F.110	2	2.80	—	—	—	—	"
		Aug.		Nov.		Feb.		
SLB C	$110	4	5½	—	—	—	—	$107
SLB C	$120	10	1½	10	5⅛	—	—	"
VW C	DM.190	—	—	10	8.20	—	—	DM185.50
		June		Sept.		Dec.		
GM C	$50	—	—	4	6⅛	—	—	$43⅛

TOTAL VOLUME IN CONTRACTS 2771

C=Call P=Put

NOTICE OF ISSUE ABRIDGED PARTICULARS

Application has been made to the Council of The Stock Exchange for the undermentioned Stock to be admitted to the Official List.

NORTH SURREY WATER COMPANY

(Incorporated in England on 2nd August, 1883, by the South-West Suburban Water Act, 1883.)

OFFER FOR SALE BY TENDER OF £2,000,000

10 per cent. Redeemable Preference Stock, 1983

(which will mature for redemption at par on 30th June, 1983.)

Minimum Price of Issue—£100 per £100 Stock

yielding at this price, together with the associated tax credit at the current rate, £14.29 per cent.

This Stock is an investment authorised by Section 1 of the Trustee Investments Act, 1961 and by paragraph 10 (as amended in its application to the Company) of Part II of the First Schedule thereto. Under that paragraph, the required rate of dividend on the Ordinary Capital of the Company was 4 per cent. but, by the Trustee Investments (Water Companies) Order 1973, such rate was reduced to 2.5 per cent. in relation to dividends paid during any year after 1972.

The preferential dividends on the Stock will be at the rate of 10 per cent. per annum and no tax will be deducted therefrom. Under the imputation tax system, the associated tax credit at the current rate of advance corporation tax, (3/7ths of the distribution) is equal to a rate of 4 2/7ths per cent. per annum.

A deposit of £10 per £100 nominal amount of Stock applied for must accompany each Tender, which must be sent to Deloitte Haskins & Sells, New Issues Department, P.O. Box 207, 128, Queen Victoria Street, London EC4P 4JX in a sealed envelope marked "Tender for North Surrey Water Stock" so as to be received not later than 11 a.m. on Wednesday, 28th May, 1980. The balance of the purchase money will be payable on or before Thursday, 26th June, 1980.

Copies of the Prospectus, on the terms of which alone Tenders will be considered, and Forms of Tender may be obtained from:—

Seymour, Pierce & Co.,
10, Old Jewry, London, EC2R 8EA.

Barclays Bank Limited,
P.O. Box No. 6, 71, High Street, Staines, Middlesex TW18 4PS.

or from the Principal Office of the Company, The Causeway, Staines, Middlesex, TW18 3BX.

NOTICE OF REDEMPTION

To the Holders of

Compañía Anónima Nacional Teléfonos de Venezuela

8¼% Guaranteed Sinking Fund Debentures Due 1987

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Fiscal Agency Agreement dated as of December 15, 1972 providing for the above Debentures, $350,000 principal amount of said Debentures bearing the following serial numbers have been selected for redemption on June 15, 1980, through operation of the Sinking Fund, at the principal amount thereof, together with accrued interest thereon to said date, each in the denomination of $1,000 bearing serial numbers with the prefix letter "M" as follows:

OUTSTANDING DEBENTURES BEARING THE DISTINCTIVE NUMBERS ENDING IN ANY OF THE FOLLOWING TWO DIGITS:

17 64 82

ALSO DEBENTURES BEARING THE FOLLOWING NUMBERS:

5156 5956 6856 7556 9056

On June 15, 1980, the Debentures designated above will become due and payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Said Debentures will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 13th Floor, 30 West Broadway, New York, N.Y. 10015, or (b) at the main offices of any of the following: Morgan Guaranty Trust Company of New York in Brussels, Frankfurt am Main, London, Paris and Zurich: Bank Mees & Hope NV in Amsterdam; Credito Romagnolo S.p.A. in Milan and Rome and Credit Industriel d'Alsace et de Lorraine, S.A. in Luxembourg. Payments at the offices referred to in (b) above will be made by check drawn on a dollar account, or by transfer to a dollar account maintained by the payee with a bank in New York City.

Coupons due June 15, 1980 should be detached and collected in the usual manner.

On and after June 15, 1980 interest shall cease to accrue on the Debentures herein designated for redemption.

Compañía Anónima Nacional Teléfonos de Venezuela

Dated: May 8, 1980

NOTICE

The following Debentures previously called for redemption have not as yet been presented for payment:

DEBENTURES OF $1,000 EACH

M 86	1259	2832	3586	4235	5186	7035	7535	8183	9259	10135	11386	12059	12462	13007	13410	14432
107	1274	2835	3607	4359	5235	7107	7559	8186	9374	10174	11407	12074	12486	13024	13435	14510
132	1386	2935	3674	4374	5259	7124	7707	8191	9386	10186	11411	12086	12511	13035	13459	14674
459	1407	3024	3886	4386	5274	7135	7807	8207	9407	10286	11434	12107	12524	13059	13635	14686
559	1424	3035	3786	4410	5286	7224	7834	8210	9635	10307	11435	12124	12535	13074	13786	14707
574	1459	3074	3835	4432	5324	7235	7832	8219	9686	10311	11459	12135	12566	13083	13807	14732
586	1474	3207	3859	4459	5524	7259	7983	8220	9924	10324	11486	12159	12707	13086	13811	14807
624	1559	3259	3907	4474	5583	7274	7386	8259	9942	10335	11524	12166	12710	13107	13832	14810
635	1874	3324	3924	4524	5607	7286	7997	8474	9974	10432	11659	12207	12724	13124	13835	14824
659	1974	3374	3932	4532	5374	7307	8007	8486	9981	10459	11886	12211	12735	13132	13843	14835
674	2424	3424	3959	4535	6086	7324	8009	8507	9986	10607	11932	12286	12759	13135	13910	14859
774	2432	3435	3974	4686	6124	7335	8010	8510	9987	10674	11935	12307	12774	13174	13932	14883
807	2435	3459	4024	4735	6135	7359	8014	8524	9989	10910	11958	12324	12786	13186	13935	14886
932	2474	3474	4032	4759	6307	7374	8059	8724	10007	11274	11974	12335	12859	13207	14007	14907
1024	2486	3483	4059	4874	6310	7386	8124	8735	10010	11286	11983	12386	12874	13235	14010	14910
1032	2734	3486	4086	5007	6374	7407	8135	9196	10035	11307	11986	12407	12886	13259	14024	14959
1124	2735	3507	4124	5059	6410	7459	8159	9207	10059	11324	12007	12424	12935	13307	14035	14974
1159	2759	3524	4135	5074	6659	7486	8174	9224	10074	11335	12024	12434	12959	13335	14135	14986
1235	2824	3574	4174	5086	7024	7507	8181	9235	10124	11374	12035	12435	12986	13359	14310	

This advertisement complies with the requirements of the Council of The Stock Exchange.

U.S. $150,000,000

Midland International Financial Services B.V.

(Incorporated with limited liability in the Netherlands)

Guaranteed Floating Rate Notes 1992

Convertible until June 1985 into 9½% Guaranteed Bonds 1992

Guaranteed on a subordinated basis as to payment of principal, premium (if any) and interest by

Midland Bank Limited

The following have agreed to subscribe or procure subscribers for the Notes:

Samuel Montagu & Co. Limited — European Banking Company Limited — Credit Suisse First Boston Limited

Amsterdam-Rotterdam Bank N.V. — Banca Commerciale Italiana — Bank of China

Creditanstalt-Bankverein — Deutsche Bank Aktiengesellschaft — IBJ International Limited — Lazard Frères & Co.

Salomon Brothers International — Société Générale — Société Générale de Banque S.A.

Swiss Bank Corporation (Overseas) Limited — Union Bank of Switzerland (Securities) Limited

The issue price of the Notes is 100 per cent. The Notes and, upon conversion, the Bonds have been admitted to the *Official List by the Council of The Stock Exchange, subject, in the case of the Notes, only to the issue of the temporary* Global Note and, in the case of the Bonds, only to their issue.

Full particulars of the Notes and the Bonds are available in the Extel Statistical Service and may be obtained during usual business hours (Saturdays and public holidays excepted) up to and including 5th June, 1980 from the brokers to the issue:

Cazenove & Co.,
12 Tokenhouse Yard,
London EC2R 7AN

Pember & Boyle,
30 Finsbury Circus,
London EC2P 2HB

22nd May, 1980

Duport ahead but warns on current prospects

DESPITE A downturn in second-half profits from £2.56m to £2.42m, **Duport**, the steelmaking, engineering and domestic products group finished the year to January 31, 1980, with a higher taxable surplus of £6.56m, compared with £5.8m.

But the immediate prospects are not good, says Mr. Eric Sayers, the chairman. Although greater returns are expected from investments made in recent years, the group is already experiencing lower levels of demand at a time when steep increases in operating costs and sterling exchange rates are affecting margins, and interest rates are at record levels. Interest charges this time jumped from £1.56m to £2.89m.

The situation is aggravated by a world over-capacity in steel, the chairman continues, and in consequence markets are plagued by supplies at depressed and unrealistic prices.

A further severe depressant on current-year profits will be the continuing effects of the steel dispute, which has so far cost £2.4m. Industrial disruption in the 14 months up to the end of March, 1980, resulted in lost profits of some £3.7m, he estimates.

Until the extent to which the market for steel can recover during the remainder of the year is seen, the directors say no meaningful forecast can be offered. But they doubt whether losses in the steel division arising from the dispute can be fully recovered in the first half.

Earnings in the year under review rose from a stated 10.57p to 13.02p per 25p share, or 12.3p (9.9p) fully diluted, and the dividend is raised from 5.15202p to 5.24317p with a final of 3.11634p.

Total turnover rose from £182.31m to £194.25m, including inter-divisional sales of £0.42m (£0.99m), and trading profit was £9.44m (£7.28m).

Steelmaking profits rose to £5.03m (£4.52m) on sales of £113.53m (£98.06m) and the surplus from the domestic products division jumped from £0.55m to £2.54m on turnover of £46.57m (£44.29m).

But engineering profit and turnover fell to £1.87m (£2.2m) and £34.14m (£39.96m).

The results include profits of £180,000 and turnover of £3.06m from Portways, a subsidiary disposed of in October, 1979.

After tax of £1.01m (£1.35m) and an extraordinary credit of £0.47m (£2.45m debit), net profit is £6.02m (£2.01m). Dividends absorb £2.33m (£2.17m).

A consolidated balance sheet shows net current assets of £31.11m (£34.04m), including bank overdrafts and current portion of term loans of £8.13m (£0.12m) and bank balances and deposits of £0.93m (£2.69m).

A further £10.82m was invested in new buildings, plant and equipment during the year, and £7.24m in working capital, although the union ban on steel movements left stocks at higher levels than normal at the year end.

● comment

Despite the doubts implicit in an historic yield of 19 per cent at the new annual low of 42½p, Duport has maintained its dividend. The cover on a current cost adjustment is just 0.8 per cent but the group is taking the view that capital spending is set to halve this year and the cash outflow of £7m in 1979-80 will be largely staunched. The current year has, of course, started badly with heavy steel-strike induced losses but, then, Duport's experience of external disputes last time was none too bright anyway. The features of a 13 per cent pre-tax improvement are the expansion of exports in very tough markets and the fruits of new plant investment. The domestic products division, returning around 25 per cent on capital employed, has started to make a proper contribution but Slumberland is still only just in profit and there should be a lot more growth to get out of this area. The p/e of just over 3 on published fully diluted earnings is a further indication that the shares have probably reached a floor.

Hartwells upsurge

PRE-TAX PROFITS of the **Hartwells Group**, the motor vehicle and fuel oil distributor, climbed by 27 per cent to £2.86m in the year to February 29, 1980 compared with £2.25m the previous year. Turnover rose by 45 per cent to £142.53m, against £98.11m.

Interest and stock finance charges were £1.09m (£0.47m) and taxation took £400,000 (£310,000). There was an extraordinary credit of £261,000 (nil).

The final dividend is effectively raised from 3.113p to 3.578p, for a total of 5.367p against an adjusted 4.6p.

The directors say the group's BL sales fell 10 per cent over the year, while Ford sales rose 23 per cent and commercial unit sales increased 28 per cent. Service departments increased turnover and new motorcycle sales were up.

Despite forecasts of a fall in vehicle registrations this year, the company hopes its wide range and new models will give it a greater market penetration. In view of high interest rates and intense competition, profit levels are unlikely to be maintained, they add.

A property revaluation at February 29 on an existing use basis, shows a surplus of £4.87m. The balance sheet values have accordingly been written up by this amount.

● comment

The expected evaporation of new vehicle sales failed to materialise in the second half of last year, allowing Hartwells to chalk up a respectable 22 per cent increase in profits for the final six months. Trading margins over that period were maintained at 2.5 per cent but more than doubled interest charges marred the picture at the pre-tax level. The company says that 1980 profits are unlikely to match last year's and, if April's dismal car sale figures are anything to go by, this may prove an understatement. Yet the group has expanded and diversified its energy interests which looks set to provide some compensation. Model launches by BL later this year may also brighten up the sales figures. At 63p the shares yield 12.9 per cent and offer a p/e of 2.5 on historic earnings. This is not asking too much for a company which has registered consistent profit increases over the past five years.

Depressed wire market is Bridon's big worry

THE GENERALLY depressed state of the wire market is currently giving cause for particular concern, Mr. J. Laird, chairman of **Bridon** (formerly British Ropes), told the annual meeting. He said that present indications signified that this was likely to have a significant adverse effect on the group's results for the year.

In the UK, he said, the effect of the British Steel Corporation strike on wire operations had been very serious and this would mean that group results for the first half would not be encouraging.

British Ropes, despite being to some extent affected by the steel strike, together with its European subsidiaries, is performing satisfactorily, particularly in the area of some specialised products.

He said the disposal of the group's shareholding in Haggie would affect the second half in respect of consolidated profit. This would be mitigated by savings in interest on UK borrowings until such time as the proceeds from the disposal are re-invested.

The Ashlow Steel and Engineering Company—this subsidiary made a loss of over £11m last year—will be closed by the end of May. This operation has been carried on two months longer than anticipated and it is expected that Ashlow Limited, the new company with Korf as partners, will start operations in June.

As known, group pre-tax profits for 1979 fell from £15.6m to £3.59m.

13% increase for Stonehill

PRE-TAX PROFITS of Stonehill domestic furniture manufacturer, rose by 13 per cent to £2.04m in the year to March 30, compared with £1.81m the previous year. Turnover was up 19 per cent to £21.27m, against £17.87m.

Trading profit was £2.4m (£2.05m). Depreciation accounted for £356,000 (£235,000). After tax of £0.8m (£0.53m) the attributable balance is £1.25m (£1.28m).

The final dividend is held at 4.5p, taking the year's total to 8.5p (8p). Earnings per 25p share are given as 21.3p (22.8p) actual, 16.6p (15.5p) notional fully taxed.

● comment

Stonehill Holdings' margins, reacting quickly to the slowdown of economic activity, began to erode in the second half and remain weak as volume is flat. The company has money in the bank and hopes for an upturn in demand in the autumn but profits may not move much. The closely held shares were steady yesterday at 96p to yield 13.3 per cent. The fully taxed p/e of 5.5 begins to reflect the industry's traditional sensitivity to recession.

London Trust 20% ahead

London Trust Company saw pre-tax revenue up 20 per cent to £4.12m in the year to March 31 1980, against the previous year's £3.44m. Gross revenue of the investment trust was £7.34m (£4.87m). The 3.75p final net dividend makes 6p for the year (4.75p). Net assets per share are 2p up at 158.5p basic and 156.2p (153.9p) fully diluted.

The board recommends redesignation of the deferred shares as ordinary shares, and plans a scrip issue of one new ordinary share for every deferred share.

London Trust is financing a new company which will buy from Wilkinson Match its "Apollo" fire detector interests. The new company, called Apollo Manufacturing, is owned jointly by London Trust and Mr. Roger Petty, deputy chairman of ITR International Time.

Mr. Petty holds 51 per cent of the shares, but the bulk of the purchase price, some £250,000, plus £100,000 working capital, comes from London. Apollo claims 20 per cent of the UK market for industrial smoke and temperature detectors.

First half advance at Chemring

TAXABLE PROFITS of Chemring, the radar reflective material, protective clothing and cable attachments group, showed a significant increase from £237,400 to £357,700 for the half year to March 28, 1980, on sales of £1.85m, against £1.46m.

Trading conditions generally during the second half are expected to be more difficult, but full year pre-tax profits are expected to show an improvement over the previous year's £440,500.

Investment income for the 28 weeks from £61.2m to £115.1m. Tax was up from £121.8m to £195.4m and after minorities, profits attributable to ordinary holders were £64.7m better at £178.8m.

With earnings per 5p share at 8.6p (5.6p) the interim dividend is improved from 1.65p to 1.8p net, costing £37,300 (£34,600)—the total last time was 3.3p.

LOW AND BONAR ENGINEERING

A drop from £1.54m to £1.12m in pre-tax profits is reported by Low and Bonar Engineering (formerly G. H. P. Group) for 1979.

Tax charged was considerably lower at £241,000 against £808,000. Minorities took £1,000 (£2,000), but there was no deduction for extraordinary items against £44,000 last time.

Turnover of the company, which is a wholly owned subsidiary of the Low and Bonar Group, was up from £19.87m to £22.07m.

Ward White in new areas of development

Mr. Philip Birch, managing director of the Ward White Group, manufacturer of footwear and electrical and mechanical engineer, told executives at a conference that recent acquisitions, especially that of the Childs Corporation of the United States, have taken the group into "new areas which are capable of considerable development."

He said the Childs Corporation represents the basis for considerable future development. He added: "In addition, we have demonstrated that we can improve the performance of our retail operation, and consequently the quality of our investment in this area must be enhanced."

Mr. Birch also told the conference that his group had begun the year employing capital of some £26m. He said a return of sales of 8.8 per cent was being achieved with a return of just below 20 per cent on capital. There had been a "dramatic improvement" during 1979 in the group's gearing position.

Dreamland £1m expansion programme

A £1M EXPANSION programme to boost production of electric underblankets at its Hythe, Southampton, factory by 25 per cent to over 1m units a year, and a £300,000 contract to manufacture own brand underblankets for Philips N.V. for the Dutch market, are announced by Mr. Freddie Williams, the chairman of Dreamland Electrical Appliances, in his annual report.

The group is within striking distance of exceeding the production capacity at its Hythe factory and the Board has therefore decided to implement the second phase of its long term growth plan during 1980.

Mr. Williams says he is looking for an important breakthrough during the current year in export markets "where the Common Market represents our major challenge and most fruitful immediate expansion area."

Group order intake to date this year has been satisfactory from both home and overseas markets.

In 1979, taxable profits rose from £1.16m to £1.5m, on turnover of £10.5m (£8.3m)—as reported April 10. Further significant steps forward are forecast for 1980 in the growth of sales and profits.

Trading profits for 1979 adjusted for current costs were £1.24m (£1.02m) compared with the historical £1.5m (£1.17m).

In the second six months of 1979, margins came under pressure due to unexpected increases in raw material costs, but Mr. Williams says the Board has taken all possible steps to ensure that any further rises are reflected quickly in selling prices.

He sees no reason why the company's planned steady progress should not continue.

Meeting, Great Eastern Hotel, EC, June 11, at noon.

Cluff Oil participations

Cluff Oil will participate in two consortia bidding for blocks in the seventh round of UK licensing. Mr. Algy Cluff, chairman of the independent oil company, told the Stock Exchange Northern Unit conference in Leeds yesterday that it plans to act as operator in one consortium holding a 25 per cent stake.

Other investors include Italy's Agip, the Channel Exploration Company, Trust House Forte and Prudential Corporation. The consortium seeks a channel area block.

The second consortium focuses on the Moray Firth area of the North Sea. It will also be led by Cluff Oil, with additional holdings by Jardine Matheson, other Cluff companies, and local investors. Mr. Cluff said Cluff Oil is budgeting £4.5m for the ventures. The cost of two wells in each block is expected to total £22m.

Winding-up Orders

COMPULSORY WINDING-UP orders have been made against the following companies.

L. Guidotti, Johnston Earthmoving, Formula 80, 9A Shipping, Macro-Marche (London), Secates, Craway Securities, Kesal Trading and Services.

Manderoll, Takis Fashions, D.P.B. (Properties), Difeway, Vallardon, Service Distributors (Sales), M. and S. Interactive Graphic Systems, Securiloc Fencing Company.

Moonraker Marine International, Jane Teal, Concrete Specialists, Deventer (Distribution), Crowpowder, Double Deal (Wholesale), Feltham Fasteners, J. B. Riney (Contractors).

Compulsory winding-up orders made on May 12 against Castings and Bar Supplies and D'Aughters (Lapidaries) have been rescinded and the petitions dismissed by consent.

FIRST CASTLE

Of the 1,569,931 10p shares of First Castle Securities offered by way of rights, 91.17 per cent have been taken up. The balance of 138,679 shares has been sold at 1¾p per share in excess of the 27p subscription price, the benefit to be distributed pro-rata among the original allottees.

Companies and Markets

UK COMPANY NEWS

BIDS AND DEALS

Waring buys more and wins control of Maple

AFTER A bitterly contested battle **Waring and Gillow**, the furniture manufacturer, yesterday secured control of **Maple and Co. (Holdings)**, its High Street competitor.

Waring's improved bid, worth £9.85m, had been rejected outright by the Maple board, but Waring won the day by supplementing acceptances with market purchases.

Mr. John Cussins, group managing director, said that "large acceptance" yesterday in nominee names clinched the deal.

Waring announced that total shares bought in the market and accepted under the offer represent 50.4 per cent and 77.2 per cent respectively of the ordinary and preference share capital of Maple.

Waring also announced that it *intended to exercise the option* to sell its store at 188-196 Regent Street, London, to Debenhams.

Mr. Cussins said there were eight areas of overlap and some rationalisation would be necessary. But he thought the stores to go would more likely be Waring's as they had stronger property sale potentials.

Mr. Cussins said the fundamental problems of the furniture trade were heavy High Street rents and competition. An enlarged group would be better able to change its style of trading to one of central bulk buying and distribution, with better margins and savings to the manufacturer.

The acquisition of Maple gives the group the extra volume and nationwide coverage needed to achieve this aim, he said.

The offer is open until further notice.

CONSORTIUM BUYS SMITH & WELLSTOOD

Four financial institutions in Scotland have formed a consortium to acquire **Smith and Wellstood**, manufacturer of Esse solid fuel appliances, from **Newman Industries**.

Edinburgh Financial and General Holdings, acting on behalf of General Accident Fire and Life Assurance Corporation, The Life Association of Scotland, Melville Street Investments (Edinburgh) and Royal Bank Development is paying £550,000 for the company.

There has been a significant turnround in Smith and Wellstood's financial situation from three years ago, a statement *said*. The development of strong overseas markets has been brought about to a large extent by a renewed interest in solid fuel domestic appliances due to the dramatic change in energy markets.

THORN EMI

In an internal capital reconstruction **Thorn EMI** has transferred its shareholding in Thorn Electrical Industries (U.S.) Inc, a wholly-owned subsidiary, to EMI for £40.8m, satisfied by the issue to Thorn EMI of 59.3m new ordinary in EMI credited as fully paid.

The transfer took place in connection with the rationalisation of the ownership of the pre-merger subsidiaries of Thorn and EMI in the U.S., now consolidated under a single U.S. holding company, which is to be re-named Thorn EMI North America Holdings Inc.

Go-ahead for Pilkington German move

Pilkington Brothers finally received the go-ahead from UK and EEC authorities yesterday for its move into the West German flat glass market.

The European Commission said it would not object, under EEC rules on competition, to *Pilkington's* purchase of Flachglas from BSN-Gervais Danone of France.

The British group has already been forced to pay £28m extra for Flachglas following a change in Germany's law on cross-shareholdings. Originally, it planned to pay £113m for around 55 per cent of the company, but will now end up with nearly 62 per cent, having also had to buy BSN's indirect stake in Flachglas.

The deal will not be referred to the UK Monopolies Commission.

Pilkington's earlier aim of acquiring BSN's Belgian and Dutch flat glass interests, Glaverbel and de Maas, was dropped after objections from the German Cartel Office.

The EEC Commission said yesterday that, in this form, the deal could have run foul of the EEC Treaty, which prohibits the abusive strengthening of a dominant position through concentration.

The Commission sent the companies a warning to this effect, and now feels the revised transaction will lead to a more balanced structure, which should not endanger competition in Europe.

But Pilkington and BSN have had to promise that neither will be represented on the other's Board. Nor will BSN hold the Pilkington shares received under the deal for longer than three years, or exercise the voting rights. Finally, the distribution networks of Pilkington/Flachglas and BSN will be completely separated after the deal.

WILKINSON MATCH

Wilkinson Match has sold the firework display side of its Pain-Wesse xsubsidiary to one of its former managers, Mr. John Deeker, for less than £100,000.

Mr. Denys Randolph, who was chairman of the Wilkinson group until being ousted after a boardroom row last year, has become chairman of Pains Fireworks and has a financial stake in the company.

Pains Fireworks, which does no retail business, represented only a small part of the overall Pains-Wessex military and coastguard flares business. Its turnover is around £400,000, while that of the whole subsidiary is about £9m.

Roneo Vickers French deal talks continue

The proposed £30m sale of certain assets of **Roneo Vickers** to **CIT-Alcatel**, the French telecommunications equipment maker, will not be referred to the Monopolies and Mergers Commission, Mr. John Nott, the Trade Secretary, has decided.

The disposal of Roneo Vickers' *reprographics* and mailroom products side to CIT-Alcatel was agreed *in principle in February, with completion expected by the* end of April. But by mid-April it became apparent to both parties that the deal would be delayed.

Vickers said yesterday that discussions "are continuing both in this country and in France. It is a complex transaction involving subsidiaries in other countries: Belgium, Holland, Sweden, Norway, Pakistan, South Africa, Australia and the U.S." Some assets of Roneo Vickers Canada were also involved.

"There is no foreseeable obstacle to a mutually satisfactory completion," Vickers added. "But the very complexity of the operation means that although there is goodwill on both sides all points of detail could not be setled by April 30.

"No new date has been set but both companies are determined to achieve the earliest possible handover."

QUEENS MOAT STAKE IN OLD SWAN

The Board of **Old Swan (Harrogate)** has been notified by **Queens Moat Houses** that it is interested in 374,500 ordinary shares (14.98 per cent), of which 337,500 were acquired on May 16 from Prince of Wales Hotel, being the latter's entire shareholding in Old Swan.

Discussions are now taking place between the two companies about their future relationship.

C. T. BOWRING

Shareholders of **Marsh and McLennan Companies** of the U.S., the world's largest insurance broker, have approved the proposed acquisition of **C. T. Bowring**, the insurance broker with banking, credit finance and large Lloyd's of London interests.

LAURENCE SCOTT

Rowe and Pitman on behalf of **Mining Supplies** yesterday bought a further 450,000 **Laurence Scott** shares (4.8 per cent) and will continue to buy at 60p until further notice. This takes Mining Supplies holding in Scott up to 25.7 per cent. The percentage holding given in yesterday's report was incorrect.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: Allied London Properties, Associated Engineering, Brockhouse, Concentric, Howard and Wyndham, Leeds and District Dyers and Finishers, Ley's Foundries and Engineering, Morland, Scottish Investment Trust, Stockholders Investment Trust.

Finals: Boots, Debenhams, Fidelity Radio, Hambros Investment Trust, J. N. Nichols (Vimto), Portmouth and Sunderland Newspapers, William Press, Pritchard Services, Sphere Investment Trust, Wilson Bros., Witan Investment.

FUTURE DATES

Interims—	
Elson and Robbins	June 10
ICL	May 29
MEPC	June 3
Northern Foods	June 12
Finals—	
Barlows	May 27
Cope Sportswear	May 30
Dundonian	May 23
Goldberg (A.)	May 23
Great Portland Estates	June 9
Hill (Philip) Investment Trust	May 29
Parkland Textile	June 3
Pegler-Hatersley	June 5
Pickles (William)	May 27
Pyramid Group (Publishers)	May 29
Racal Electronics	June 19

OUR PRICE RECORDS TO BUY HARLEQUIN

Harlequin Records is negotiating the sale of its 41 shops to **Our Price Records** for £1.1m.

The finance for the deal, which should be completed by the end of May, is being put up by Midland Bank Industrial Finance, which will take an equity stake of just over 10 per cent in the enlarged company.

Our Price Records, set up in 1976, runs 17 shops in Greater London and last year made a £153,000 profit on turnover of £4m. This year's turnover is expected to be around £6m, about the same as Harlequin's.

Mr. Garry Nesbitt, who jointly controls Our Price with fellow director Mr. Michael Isaacs, said around £200,000 would be spent on refitting the Harlequin shops, of which 39 will be kept. Harlequin has been losing money over the past few years. Its managing director, Mr. Laurie Krieger, intends to retire after the deal.

K SHOES ACQUIRES BISHOP BROTHERS

K Shoes has agreed to acquire through its wholly owned subsidiary, K Shoe Shops, the retail trading assets of **Bishop Brothers (Portsmouth)**, comprising three freehold and two leasehold shops, together with stock, furniture, fittings and goodwill.

The consideration of £650,000, subject to stock valuation, will be met by the issue of 1,060,000 new ordinary shares and about £45,000 in cash. The shares have been placed by J. Henry Schroder Wagg in conjunction with De Zoete and Bevan.

RESULTS AND ACCOUNTS IN BRIEF

FLIGHT REFUELLING (HOLDINGS)—Results for 1979 reported April 25, 1980. Fixed assets £2.68m (£2.15m), net current assets £5.21m (£4.33m), working capital increased by £1.53m (£0.87m). Chairman states that pre-tax profits have increased by a factor of four in the past five years and the objective is to maintain this pattern in 1980. *Meeting, Painters Hall, Little Trinity Lane, EC, June 12, noon.*

M.F. NORTH (Hotels)—Results for 1979 reported April 23. Group fixed assets £6.7m (£6.16m). Net current assets £23,635 (£407,877). Chairman says business during early part of 1980 has not been buoyant but shows signs of improvement. Improvements at Onslow Court Hotel, SW, should be considerable source of revenue in current year. Meeting, Stanhope Court Hotel, SW, June 17, 2.30 pm.

TRAVIS AND ARNOLD (timber and building materials)—Results for 1979 with prospects reported April 23. Property, plant and equipment £12.84m (£13.15m), net current assets £16.67m (£11.49m). Net tangible assets £24.77m (£21.13m). Meeting, Northampton, June 12, noon.

PROGRESSIVE SECURITIES INVESTMENT TRUST—Revenue year to March 31, 1980, £162,284 (£127,604) before tax £82,796 (£51,938). Earnings 4.44p (3.37p). Final dividend 2.5p making 3.75p (3.19)p. Net asset value 88.3p (£93.6p).

YORKSHIRE AND LANCASHIRE INVESTMENT TRUST—Interim dividend 0.65p net (0.5p) to reduce disparity. For half year ended March 31, 1980, net revenue £33,828 (£30,113) after tax £15,162 (£16,500). Dividend cost £26,000 (£20,000). Final dividend expected to be maintained at 1.25p. Net asset value 34.2p (37.2p at September 30, 1979). Company negotiating acquisition of financial investment planning company in north of England.

FRANCIS SUMNER (HOLDINGS) (textile, engineering and plastic group)—Results for 1979, reported April 25. Fixed assets £1.88m (£1.80m), net current assets £3.82m (£3.91m), decrease in working capital £165,452 (increase £336,422). Chairman optimistic that complete review of operations will form basis for strong growth. *Meeting, Winchester House, EC, June 12, noon.*

GEORGE WILLS AND SONS (HOLDINGS) (export, import, commodities and engineering)—Results for 1979 reported March 27. Group fixed assets £510,000 (£682,000), net current assets £4.33m (£3.45m), working capital increased by £424,000 (£713,000). Chairman states that profits should be maintained in 1980 with the possibility of a modest increase, and it is hoped to maintain the dividend at 4.5p on capital increased by the one-for-four scrip issues. Meeting, EC, June 11 at 11.15 am.

HAROLD PERRY MOTORS (car and commercial vehicle sales, service and leasing group)—Results for 1979 reported April 25, 1980. Group fixed assets £13.27m (£8.92m), net current assets £4.36m (£6.53m), working capital increased £1.55m (£3.02m), bank overdrafts increased £2.56m (£0.46m). CCA profit £3.3m (£2.66m) against historic £4.92m (£3.76m). Chairman states that despite 11 per cent reduction in first quarter profit and many forecast and present problems, the ambitious profit targets established in November, 1979, are not being modified. Meeting, RAC, 89, Pall Mall, SW, June 13, noon.

BREMAR TRUST—Final dividend 0.95p year to March 31, 1980 (2p). Revenue £47,325 after tax £30,382. Earnings per share 1.97p.

CITY AND COMMERCIAL TRUST—Net asset value pr capital share at April 30, 1980, 216½p (220¾p at March 31).

LONDON ATLANTIC INVESTMENT TRUST (subsidiary of Finance for Industry)—Final dividend 2.75p net making 4.5p (3.6p) for year to March 31, 1980. Gross revenue £882,281 (£720,634). After-tax revenue £546,086 (£427,868). Net asset value per share 98.5p (107.9p).

LONDON PRUDENTIAL INVESTMENT TRUST—Gross revenue for year to April 30, 1980, £477,068 (£385,477). Revenue £421,677 (£321,478), before tax £138,761 (£108,430). Earnings per 25p share 4.72p (3.55p), final dividend 2.5p making 4.5p (3.45p) net. Net asset value 108.7p (125.5p) net.

EMPIRE STORES (BRADFORD) (Mail order concern)—Results for year to January 26, 1980, and prospects reported April 10. Current assets £69.24m (£54.42m), current liabilities £35.67m (£24.31m) including bank overdraft of £12.49m (£1.5m), increase in working capital £11.83m (£8.47m). Historic profit of £9.12m reduced to £5.96m on CCA basis. Meeting, Norfolk Gardens Hotel, Bradford, June 11, noon.

FIRMIN AND SONS (manufacturer of badges, buttons and military ornaments)—Results for 1979 reported March 31. Group fixed assets £456,000 (£430,000); net current assets £853,000 (£720,000). Decrease in net liquid funds £86,000 (£47,000 increase). Chairman says, 1980 has started well. Pre-tax profit £249,000 (£303,000) on CCA basis and he anticipates the year should prove to be much more satisfactory. Berth Investments holds 6.5 per cent of the company and Midland Trust holds 8.3 per cent. Meeting, Birmingham, on June 16, 12.15 pm.

WIGGINS TEAPE GROUP (part of BAT Industries group)—Results for 15 months ended December 29, 1979 already known. Group fixed assets £125.06m (£106.68m) at September 30, 1978), net current assets £131.26m (£114.35m). Working capital increased £4.08m (£0.48m). Meeting, Basingstoke, June 18, at 12.45 pm.

METTOY COMPANY (toy manufacturer)—Results for 1979 with prospects reported May 3. Fixed assets £10.48m (£8.93m), net current assets £7.85m (£8.15m). Shareholders' funds £15.18m (£14.28m). On CCA adjustment, group made pre-tax loss of £0.77m (£1.72m profit), historically £0.72m profit (£3.64m). Meeting, Winchesetr House, EC June 6, noon.

RICHARDSONS, WESTGARTH AND CO. (engineer and steel stockholders)—Result for 1979 reported April 17. Fixed assets £4.64m (£4.9m), net current assets £9.78m (£9.04m). Shareholders' funds £12.45m (£11.59m). First half recovery gained momentum in second period, and Board looks for improved trading profit in 1980. Meeting, St. Ermin's Hotel, SW1, June 11, noon.

FORWARD TRUST (instalment credit, leasing and factoring subsidiary of Midland Bank)—Liquid assets £42.1m (£24.2m), customers' and other accounts £1.21bn (£837.7m), fixed assets £4.1m (£3m). Current liabilities £961.3m (£636.6m). Comparatives are on pro-forma basis.

OFFICE AND ELECTRONIC MACHINES—Results for 1979 reported April 24. Group fixed asets £965,788 (£956,258), current assets £15.18m (£11.49m), current liabilities £8.25m (£4.07m). Shadeholders' funds £7.7m (£6.35m). Board says turnover in first quarter met expectations, and is confident that market position to be held. Meeting, new Triumph-Adler products will enable Winchester House, EC, June 10, noon.

YORKSHIRE FINE WOOLLEN SPINNERS—Results for 1979 already known. Fixed assets £864,853 (£674,424). Net current assets, £188,750 (£298,248). Meeting, Huddersfield, June 10 at noon.

WILKINS AND MITCHELL (Servis domestic appliances and power presses)—Results for 1979 already reported. Fixed asets. £7.71m (£6.44m). Net current assets, £1.2m (£580,000). Chairman says group has negotiated term loan of £2m with bankers in line with expansion plans. Meeting, Wolverhampton, June 12 at 3 pm.

WALTER LAWRENCE (industrial holding company)—Results for 18 months ended December 31, 1979, reported April 25. Group fixed assets £6.04m (£5.41m), investment property nil (£1.64m), net current assets £3.51m (£1.49m). Shareholders' funds £8.01m (£6.04m). Borrowings £6.96m (£7.31m) but have since been reduced and this trend is expected to continue throughout this year. Working capital up £2.72m (down £2.38m). It is proposed to introduce employee share scheme. Chairman believes company's underlying strengths will continue to enable it to weather adverse trading conditions. Meeting, Connaught Rooms, WC, June 11, noon.

TELEPHONE RENTALS—Results for 1979 reported May 1. Fixed assets, £43.65m (£38.84m). Net current assets, £4.77m (£4.58m). Meeting, Milton Keynes, June 12 at 12.30 pm.

A. G. STANLEY HOLDINGS (paint and wallpaper retailer)—Results for 1979 reported May 1 in full preliminary statement. Group fixed assets £9.54m (£2.22m), net current liabilities £370,194 (£1.24m assets). Bank overdraft £1.46m (£80,352). Working capital decreased £1.25m (£0.77m increase). Chairman is confident 1980 will be another good year. Meeting, Orpington, June 11, 4 pm.

Tracinda may bid for MGM Film stock

CULVER CITY—Metro-Goldwyn-Mayer (MGM) has disclosed that its film subsidiary has received a letter from MGM's largest shareholder, Tracinda Investment Corporation, the investment vehicle of Mr. Kirk Kerkorian, which said it is considering making a tender offer for the subsidiary's common stock, Reuter reports.

MGM had previously planned a May 30 meeting of its stockholders to approve a proposal to split the company into two publicly-traded concerns—MGM Grand Hotel and MGM Film.

Tracinda and its sole stockholder, Mr. Kirk Kerkorian, hold about 47 per cent of MGM's stock.

Under the terms of the proposed separation of the two companies, MGM Film shares would be distributed on a share-for-share basis

MGM also said it was advised over a month ago that Tracinda planned to acquire up to an additional 5 per cent of MGM Grand Hotels and MGM Film stock after the share distribution.

Fox Film cautious on outlook

By William Cochrane

AFTER A 57 per cent gain in first quarter earnings at Twentieth Century-Fox Film Corporation, Mr. Dennis Stanfill, chairman and chief executive officer, cautioned institutional investors in London yesterday against using the first quarter earnings when projecting results for 1980 as a whole.

In fact, he said, it would be difficult for Fox to surpass last year—when sales rose by 8.3 per cent to $678.4m and diluted earnings actually fell from $7.07 to $6.62 a share after an increase in the effective tax rate.

Fox's bonanza was in 1977 when fully diluted earnings soared from $1.34 to $5.86 a share on the back of the Star Wars blockbuster.

This year first quarter figures were unusually boosted by the licensing of features to television networks. But for the recently launched sequel to Star Wars ("The Empire Strikes Back") Fox has only a "modest distribution fee"—maybe 20 per cent against the usual 27 to 30 per cent.

Strong upturn at Bache despite turmoil in silver

BY DAVID LASCELLES IN NEW YORK

BACHE, one of the Wall Street brokerage groups at the centre of the recent crisis in the silver market, yesterday reported a sharp rise in quarterly earnings, and repeated its earlier assurances that it had come through the crisis financially unscathed. In fact, far from making a loss, Bache's commissions soared during the turmoil.

Profits of $4.9m or 56 cents a share for the three months ended April 30 were more than double the $1.9m or 23 cents a year earlier. Revenues rose to $169m from $104m.

Bache said that it had suffered no losses in its dealings on the accounts of the Hunt family on whose behalf it traded in the silver markets. It managed to sell all the warehouse receipts on the Hunt's silver and used the proceeds to pay off the bank loans it had taken out to cover the Hunts' silver debts.

"Bache has no loans outstanding related to the Hunts," it said. Bache also emphasised that its capital position was unimpaired. Total capital at the end of last month was $193.3m, plus $24m in standby capital at a group of banks. The capital of its Bache Halsey Stuart Shields brokerage subsidiary was also well in excess of regulatory requirements, Bache said.

The surge in earnings was largely due to the huge increase in commissions resulting from intense activity in Wall Street's various markets. Total commission revenue, excluding commodities trading, was up over 50 per cent, Bache said; and commodities commissions were up 60 per cent.

Quarterly results were also helped by improvement in the bond markets and a more active syndicate calendar.

Almost all phases of the underwriting and principal trading activities showed "significant increases" quarter to quarter, Bache said.

Profits for the nine months were $20.3m or $2.36 a share on revenues of $459.9m against $8.5m or $1.05 on $311.5m.

Volcker testifies, Page 39

Macy ahead of earnings target

BY OUR FINANCIAL STAFF

R. H. MACY, famous for its New York store but also operator of more than 80 stores in 11 other states, pushed earnings ahead in the third quarter from $5.2m or 32 cents a share to $7.3m or 45 cents and is well ahead of its earnings target for the full year.

Earnings per share of $5.38 for the first nine months were up 43 per cent. For the full year analysts expect earnings of $6.50 against last year's $4.85, all figures are adjusted for a three-for-two stock split.

Net profit for the nine months has increased from $58.9m to $85.2m, on sales of $1.58bn compared with $1.85bn.

Macy has been pushing up both sales and profit margins in recent years but market analysts have warned that progress could be checked by a slowdown in consumer spending. Sales grew only 12 per cent to $493.5m in the third quarter which indicates a slowdown from the first half of the year in which sales gained 18 per cent.

About 66 per cent of Macy's sales are clothing and 30 per cent home furnishings. In addition to its New York store, its largest, Macy operates Bamberger's in New Jersey, Pennsylvania and Maryland, as well as stores in Georgia, Missouri, Kansas and Ohio.

About 59 per cent of group sales in 1978 were bought on credit of various forms and the rest in cash. Macy Credit Corporation, which purchases all deferred payments of the parent group, held $485.2m of such receivables in July 1979.

Consumer spending, Page 5

INTERNATIONAL BONDS

Gains in straight dollar issues

BY OUR EUROMARKETS STAFF

STRAIGHT dollar Eurobonds firmed about ⅜ points on average in active trading as short-term Eurodollar interest rates posted sharp falls. Six-month dollars were quoted at 10 9/16 per cent compared with 11¼ on Tuesday.

Much of the impetus came from New York, where the domestic bond market surged ahead for similar reasons. Dealers noted that the Federal funds rate fell well below 10 per cent yesterday for the first time in several months.

This has been taken as an indication that the Federal Reserve Open Market Committee decided at its meeting on Tuesday to relax monetary policy somewhat.

Issues by Canadian borrowers posted good gains following the Quebec referendum results. Hydro Quebec's issue due 1999 gained 1⅜ points to 82½. Canadian dollar issues were also marked up.

Prices of DM foreign bonds were little changed in quiet trading. The DM 50m issue for Arbed launched yesterday by Westdeutsche Landesbank met good demand as investors were evidently attracted by its 9 per cent coupon. With the dollar weakening against the D-Mark, some clearly feel that a further fall in coupons may occur shortly. The placement is already fully subscribed.

A new private placement was announced yesterday for Hazama Gumi guaranteed by Dai Ichi Kangyo Bank. The five-year issue, managed by Bayerische Vereinsbank, bears an indicated 9¼ per cent coupon and par issue price.

Sterling Eurobonds were about ¼ per cent higher. The currency was particularly firm in exchange markets, on higher oil prices and continuing high UK interest rates.

Swiss franc foreign bonds were mixed in quiet trading.

Quarterly deficit forecast by AMC

By Our Financial Staff

AMERICAN MOTORS Corporation, the smallest of the domestically owned U.S. motor manufacturers, expects to operate at a loss for its third quarter ending on June 30 and to end in the red for the fiscal year to September 30.

In the third quarter of last year AMC reported net earnings of $15.1m, or 49 cents a share, on sales of $797.6m. For the year to September 30 it posted a net profit of $83.9m, or $2.76 a share.

Mr. Gerald C. Meyers, the chairman, said credit controls and a general economic downturn had seriously affected the motor industry of late and that AMC had had to cut production accordingly. He added that AMC was implementing cost cutting plans.

Already this year AMC has seen its first-half earnings cut from $58.2m (including $14.3m of tax credits) to $14.1m, with the second quarter showing a drop from $32m in 1978-79 to $1.3m.

Exxon to spend $541m on research

BAHRAIN — Exxon expects to spend $541m on research and development this year, financed by $471m from Exxon funds and the rest from governments, mainly the American, Mr. Edward David, Exxon vice president said.

Exxon spent $381m of its own funds on research and development last year. Mr. David, who is also president of Exxon Research and Engineering Company, told a seminar on energy research and development that 30 per cent of the total will be spent on conventional oil and gas research, 25 per cent on very heavy hydrocarbons, 25 per cent on non-energy areas especially chemicals and information systems, 10 per cent on solar, nuclear and other unconventional energy sources and 10 per cent on fundamental research.

The relatively high percentage to be spent on conventional hydrocarbon research reflected Exxon's view that oil and gas will remain the major energy source for uses like transport for the next 25 to 30 years.

Mr. David, discussing the problems of forecasting energy use, said Exxon had revised its projections downwards.

Its latest estimate of energy use in 1985 was about 30 per cent below projections for that year it made in 1973, he said.

Reuter

AT & T plans $600m debt

NEW YORK — The Board of American Telephone and Telegraph has authorised the sale of $600m of intermediate-term debt securities next month. Terms will be set at a later date.

AT&T last went to the debt market in January 1975 when it negotiated the sale of $300m of seven-year notes and $300m of 32-year debentures.

The proceeds of the current issues will be used for expansion and improvement of Bell System communications services and facilities and for other general corporate purposes.

AP-DJ

EEC accounting rules protest

NEW YORK—The National Foreign Trade Council has asked for revision of proposed European Community Accounting Rules, which, it says, will hurt U.S. multinational corporations.

The Council, a private, non-profit organisation, said the proposed EEC Seventh Directive on company accounts would require American parents of EEC subsidiaries to prepare a special report consolidating the operations of EEC subsidiaries.

The cost and complexity of the required reports would be a significant economic and administrative burden to these companies, it said.

Reuter

U.S. inflation accounting

A UNIFORM approach to inflation accounting in the U.S. is unlikely to be adopted until the Financial Accounting Standards Board's recent FASB 33 standard has been tested for a few years, Mr. Harold Williams, chairman of the Securities and Exchange Commission, said in London yesterday.

He said he plans to discuss Britain's new Statement of Standard Accounting Practice 16, SSAP 16, which requires current cost accounting figures for larger UK companies from January 1 with investment and accounting bodies here over the next few days.

Reuter

Sharply higher profits in first quarter at Volvo

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

VOLVO, the Swedish motor group, yesterday reported a pre-tax profit of SKr 385m ($91.2m) for the first quarter. This is an improvement of 63 per cent over the first quarter of 1979 and is almost exactly the same as the earnings achieved on a considerably higher turnover during the last quarter of 1979.

Preliminary unaudited figures give first quarter group sales of SKr 5.92bn ($1.25bn), an advance of 11 per cent over the first three months of last year. Foreign markets accounted for 78 per cent of turnover.

Car sales rose by 5 per cent in value to SKr 3.27bn but at an estimated 77,000 the number sold was 3 per cent lower. The number of cars delivered to customers actually declined by 12 per cent and Volvo reports a weakening trend in most of its main markets.

Car output "declined from the high level at the close of 1979" in all Volvo factories. The management announced in December that it was reducing the car production target by 15,000 to 305,000 for 1980.

The truck division, on the other hand, reports increases in both deliveries and orders and production has been stepped up to meet the growing demand. Truck sales climbed by 20 per cent in the first quarter to SKr 1.49bn.

Sales of construction and farm machines by Volvo BM increased by 23 per cent to SKr 506m and the order book grew substantially. The rationalisation of this division continued during the first quarter with sales to Electrolux of Volvo's harvesting machine interests and to a Norwegian company of a mobile crane project.

The SKr 385m pre-tax profit amounts to 6.5 per cent of sales compared with margins of 4.4 per cent for the first quarter of last year and of 5.8 per cent for the last quarter of 1979. The adjusted return per share works out at SKr 9.10 against SKr 6.70 for the corresponding period last year.

Volvo invested SKr 190m in plant and machinery during the period compared with SKr 127m. Group liquid assets grew during the first quarter by SKr 39m to just over SKr 4bn.

The interim report contains no profit forecast but in the 1979 report to shareholders, published earlier this month, Mr. Pehr Gyllenhammar, the managing director, wrote that he hoped to maintain last year's earnings of SKr 1.24bn.

Eumig refused aid by state

BY PAUL LENDVAI IN VIENNA

EUMIG, the Austrian company which is one of the world's foremost producers of cine cameras and projectors, needs immediate financial aid of at least Sch 400m ($31m) to avert a collapse. Dr. Bruno Kreisky, the Federal Chancellor, has made it clear, however, that there is no question of providing Federal funds and the three provincial governments of Lower and Upper Austria and Styria are unlikely to take a different attitude.

In all, the company is understood to need at least Sch 1bn to overcome its financial problems.

The family-owned firm, with an annual turnover of Sch 1.3bn, has total debts of Sch 1.5bn, owed to the Oesterreichische Laenderbank. Operating losses last year reached Sch 350m.

A radical reorganisation, as suggested by the bank, is opposed by the main and 50 per cent co-owner, Herr Karl Vocken-Huber, who built up the company and was running it until last year. He is said to be willing to allow his company to be forced into liquidation rather than accept a takeover by the bank without a generous pension scheme for himself and his wife.

Eumig has dismissed some 1,000 people in the past few years and a further 500 have been given notice. It is generally assumed that one-third of the 4,500 production staff — the number employed at the beginning of this year — will eventually have to go. The company's supervisory board will have to make a final decision tomorrow.

The Laenderbank will either acquire formally a controlling interest or, in the case of continued opposition by Herr Vocken-Huber, the company may be forced into liquidation.

Dr. Kreisky said: "Eumig has been a model of social market economy and there can be no question of socialising losses while keeping profits strictly for private enjoyment."

He added that the Government had no influence on the Laenderbank. "It can only undertake efforts to provide new jobs for those who lose their jobs at Eumig."

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on May 21

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	60	90⅞	91⅜	+0⅜	−0¼	11.63
Australian Res. 9⅞ 84	30	94⅛	94⅝	+0⅞	0	11.36
Beneficial Fin. 9¾ 87	100	89⅝	90⅛	+0⅜	−0⅛	11.92
CECA Gtd. Rate 12 86	100	95¼	96⅝	+0½	+1⅜	12.96
CECA 11⅜ 90	50	97⅜	98⅛	+0⅝	+0¼	12.00
Canadian Pacific 9¾ 89	50	90⅝	91¼	+0⅜	−0⅝	11.40
Carter Hawley 9⅞ 86	50	90⅜	90⅞	+0⅝	+0⅜	12.02
Continental Grp. 9⅞ 86	100	90⅝	91⅛	+0½	+0⅛	11.76
Dome Petroleum 10 94	54	82⅞	83⅜	+0⅝	−0½	12.60
Dome Petroleum 13½ 92	50	99⅞	100⅜	+0⅜	+0½	13.47
Dominion Bridge 10⅝ 84	30	92⅞	93⅛	[illegible]	[illegible]	12.50
EIB 11⅛ 92	80	97⅜	97⅞	+1⅜	+0⅜	12.12
EIB 13⅜ 90	100	106¼	106⅝	+0⅝	0	12.57
Ekportin 11⅛ 0	50	97½	98	+0⅜	0	11.72
Export Dv. Cpn. 9⅞ 84	150	94⅜	95⅞	+0⅞	+0¼	11.25
Export Dv. Cpn. 12⅞ 97	100	104⅛	104⅝	+0½	−0⅜	11.79
Federal Dev. Bk. 12⅛ 85	75	101⅞	102⅜	+0⅞	+0⅜	11.66
Finland 9⅝ 89	100	†87½	88	+1⅜	−0⅜	12.21
George Weston 9½ 87	30	*97⅝	98⅛	+0⅛	−1⅜	13.99
GTE Finance 9⅝ 85	55	85⅜	86⅛	+0⅝	−0⅜	12.41
GMAC 9¾ 89	75	90⅜	91¼	+0½	+0⅛	11.38
GMAC O/S Fin. 11 84	100	98½	99	+0⅞	+1	11.32
GMAC O/S Fin. 13 85	100	104½	105	+0½	−0⅜	12.02
Kennecott Int. 9½ 8.	100	84	84½	+0⅛	−0½	13.50
McGraw 13⅞ 85	75	98⅛	98⅝	[illegible]	[illegible]	[illegible]
Michelin 10 94	125	96⅝	97¼	+0⅛	+0¼	11.82
Nat. Des. Telecm. 9½ 8	100	92	92½	+0⅝	−0⅛	11.33
New Brunswick 9⅞ 9.	75	85⅛	85⅝	+0⅜	−0⅜	11.95
Newfoundland 10 94	50	88⅜	89⅞	+0⅛	−0⅞	11.62
Norway 9½ 84	150	94⅝	95⅛	+0⅝	+0⅛	11.17
Nova Scotia Pwr. 9⅝ 89	50	89⅞	90⅜	+1⅜	+0¼	11.57
Pennwalt O/S F. 9⅞ 84	25	92⅛	92⅝	+0⅜	−0¼	12.25
Pepsico Cap. 9¼ 84	100	95⅛	95⅝	+0⅝	+0⅛	10.78
Quebec Hydro 10 99	75	82½	83	+1⅜	+0⅞	12.40
Sears Roebuck 9 82	80	96⅝	97⅛	+0⅜	+0⅜	11.02
SNCF 12⅞ 85	8	102⅝	103⅛	+0⅜	0	11.58
Statoil 9⅝ 89	10	89⅝	90⅛	+0⅝	−0⅜	11.45
Swed. Ex. Cred. 12½ 85	40	101⅛	101⅜	+0⅝	+0¼	12.07
Sweden 9⅜ 89	100	89⅞	90⅜	+0⅜	0	11.57
Sweden 9⅜ 84	100	94⅜	95⅛	+0½	−0⅜	11.27
Unilever NV 9¾ 87	100	90⅜	90⅞	+0⅛	−0⅛	11.24
Warner-Lambert 9 84	100	93⅝	94⅛	+0⅜	+0⅜	10.91

Average price changes... On day +0⅝ on week +0⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bank 10 90	200	108⅛	108⅝	+0⅛	+0⅜	8.70
Australia 8¼ 90	250	99½	100⅛	+0⅛	+0⅜	8.14
BFCE 7⅝ 87	100	98	99	+0⅛	+0½	8.04
BFCE 8⅛ 95	100	96½	97½	+0½	+0⅛	8.48
Brazil 8 87	150	91⅜	91⅞	−0⅜	−1⅛	9.82
CECA 7 91	150	91⅝	92⅛	+0¼	−0½	8.13
Council of Eur. 7¾ 89	100	93⅝	94¼	+0⅛	+0⅛	8.24
Denmark 7⅞ 86	100	96	97¼	+0¼	+0½	8.60
Denmark 8¼ 92	100	97	98¼	−0¼	−0⅛	8.52
EEC 7⅞ 94	225	95⅝	96⅛	0	+0⅛	8.35
EIB 7½ 89	200	94	94½	+0½	0	8.41
Finland Rep. of 8 86	150	96⅞	97½	+0⅛	+0⅛	8.60
Kobe, City of 7¾ 89	150	93⅞	94⅞	+0⅛	+0¼	8.05
Neder. Gasunie 8 88	100	99⅝	100⅛	0	+0⅛	7.98
New Zealand 7¾ 87	200	95	95⅝	−0⅝	+0⅛	7.97
Norway 7½ 85	250	98⅛	98⅝	0	−0⅜	7.88
OKB 7⅞ 89	100	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Oslo, City of 8¾ 90	80	100½	101	−⅛	+0⅛	8.62
Sweden 9⅝ 87	200	105⅜	105⅞	+0⅛	+0½	8.64
World Bank 7⅞ 91	400	95	95½	+0⅞	+0⅞	8.40
World Bank 7⅞ 90	250	96⅛	97	+0⅞	+0⅜	8.39
World Bank 10 86	150	107⅞	108⅜	0	+1⅛	8.19
World Bank 10 90	200	108⅝	109⅛	+0⅛	+0⅛	8.81

Average price changes... On day 0 on week +0⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 5½ 89	80	89⅞	90⅜	−2⅜	−6⅛	7.00
Aumar 5 89	60	93¼	93¾	+0¼	−0¼	5.94
Australia 3⅞ 89	250	89⅛	89⅞	−⅛	−0⅛	5.11
Bergen, City of 4¾ 91	40	†91½	92	−½	+0⅛	5.77
BNDE 5 89	75	†86⅛	87¼	[illegible]	−0⅛	6.96
BMW Overseas 4¾ 91	100	91⅛	91⅝	−0	−0⅜	5.29
Buhrm'n-Tetterode 7 90	40	104⅛	104⅝	0	0	6.39
Caisse Nat. Tele. 3½ 89	100	92	92½	+0⅛	0	5.46
CCCE 5⅜ 90	100	100⅝	101⅛	+0⅛	+0⅛	5.63
Copenhagen 4½ 91	60	87⅜	87¾	+0¼	−0¼	6.05
Council of Eur. 5 89	100	91⅜	92	−0½	3	6.17
EIB 4½ 91	100	91⅛	91⅞	+0½	0⅛	5.53
EIB 4⅜ 94	100	86¼	86⅞	−0⅛	−0⅛	5.79
Elec. de France 4⅞ 89	100	92½	92⅞	−0⅛	−	5.45
GZB 4⅞ 89	100	88⅛	88⅝	−0⅜	−⅛	5.89
Hilti 4½ 91	35	193	94	+0¼	+1⅛	6.01
Int.-Amer. Dev. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Int.-Amer. Dev. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Jutland Tele. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Malaysia [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nippon Tel. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nordic Bank [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norges Komm. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
OKB [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
OKB 6 90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Oslo, City of [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Shikoku [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Staweag [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Voest-Alpine [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Bank [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Bank [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
World Bank [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Average price changes... On day −0 on week −0

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.6 83	30	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Australia [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EIB 7⅛ 89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Finland 5.6 83	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Finland 6.8 88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Average price changes... On day −0 on week 0

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bell Canada 10⅜ 86 C$	60	92⅞	93⅜	0	+0⅛	12.34
CIBC 13½ 85 C$	50	102	102½	+0⅛	−0⅛	12.86
Cr Foncier 10⅜ 84 C$	30	89⅜	90⅜	−0⅜	−1⅜	13.45
Fst. Can. Inv. 10 84 C$	50	92⅞	93⅜	0	−1	12.37
Hudson Bay 10½ 80 C$	60	89⅜	89⅞	−0⅛	−1⅛	12.49
Quebec 10⅜ 86 C$	60	90⅜	92⅜	−0⅛	−2⅛	12.28
R. Bk. Canada 10 86 C$	40	89⅝	90⅛	−0⅝	+1⅛	12.47
R. Bk. Canada 10 94 C$	40	87½	88	−0⅛	−1	11.83
Tordom Cpn. 13⅞ 85 C$	30	†102	102½	0	+0⅛	12.86
M Bk. Dnmk. 9 91 EUA	25	94⅜	95⅞	+0⅛	+1⅛	9.89
SOFTE 8⅝ 89 EUA	40	85⅜	86⅜	+1⅜	+2⅛	10.77
U. Bk. Nrwy. 9½ 90 EUA	18	97⅜	98⅛	+0⅛	+1⅛	9.86
Algemene Bk. 8¾ 84 Fl	75	97½	98	0	+0⅛	8.88
Ned. Gasunie 8⅞ 84 Fl	50	98⅛	98⅞	0	+0⅛	9.15
Ned. Middbk. 8⅞ 84 Fl	75	95⅜	96⅛	−0⅛	+0⅛	9.52
Norway 8⅞ 84 Fl	100	96⅞	97⅜	+0⅝	+⅛	9.16
Norway 8⅞ 84 Fl	100	97	97½	+0½	[illegible]	9.02
Philips Lamps 8⅞ 84 Fl	75	96½	97	0	+½	9.37
Air France 11 84 FFr	120	96	96½	+0¼	+	12.13
CECA 14⅛ 86 FFr	150	103⅜	104⅞	0	+⅛	13.14
Euratom 9⅞ 87 FFr	150	84⅜	84⅞	+0⅛	−⅛	13.27
Finland 11 84 FFr	80	93⅞	94⅝	0	−⅛	12.74
Finland 11½ 89 FFr	70	91½	92½	0	+⅝	12.99
Gaz de France 11 84 FFr	150	95½	96¼	−0⅛	+⅛	12.21
IBM France 11⅞ 84 FFr	120	96⅜	97½	0	+⅛	12.69
Renault 9⅞ 85 FFr	100	84⅞	85⅜	0	+⅛	13.85
Saint-Gobain 9⅞ 86 FFr	130	84⅛	85	+0⅛	−⅛	13.67
Solvay et Cie 9⅞ 87 FFr	125	81⅞	82⅞	+0⅛	−⅛	13.86
Citicorp O/S 13½ 90 £	50	96⅞	97⅜	+0⅛	+0⅛	14.02
EIB 11½ 91 £	25	87⅛	88	−0½	−0	13.73
Finance for Ind. 13 91 £	15	96⅜	97½	+0⅞	+1	13.50
Fin. for Ind. 12½ 89 £	30	94½	95½	0	+0	13.47
Fin. for Ind. 14½ 88 £	20	100⅛	101⅛	−0⅛	−0	14.30
Gen. Elec. Co. 12½ 89 £	50	96	96⅞	+1½	+1	13.20
Swed. Ex. Cr. 15⅜ 85 £	20	101⅜	102⅜	+0⅞	−0	14.55
Indonesia 8½ 91 KD	7	†93	93½	0	0	9.76
Mitsubishi 7⅞ 84 KD	10	†91½	92	0	−0	10.03
Norges Kom. 7½ 89 KD	12	†93½	93⅞	0	−0	8.54
Occidental 8¾ 91 KD	7	†90⅜	90⅞	0	0	9.69
Akzo 9⅛ 87 LuxFr	500	92½	93⅜	−0⅛	0	10.72
Euratom 8 87 LuxFr	500	87⅜	88⅜	+0⅛	+0⅛	10.51
Euratom 9⅞ 88 LuxFr	500	98⅛	99⅛	+0⅛	−0⅛	10.00
EIB 9⅞ 88 LuxFr	600	98	99	+0⅛	+0⅛	10.02
Volvo 9⅞ 87 LuxFr	500	97⅜	98⅝	+0⅛	+0⅛	10.09

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bk. 5¼ 87	0¼	97⅞	98⅜	2/7	15⅝	15.43
Banco di Roma Int. 6 87	0⅛	99⅝	100⅛	26/10	15.31	15.33
Bank of Ireland 5⅛ 89	‡0⅛	97½	98	21/8	11.81	12.08
Bank of Tokyo 5⅛ 89	‡0⅛	98	98½	25/10	16.56	16.86
Barclays O/S Inv. 5 90	0⅛	97⅞	98⅜	13/6	14⅝	14.52
Bergen Bk. A/S 6 89	‡0⅛	96⅜	97⅜	29/5	17⅛	17.78
Bque. Indo Suez 5¼ 89	0⅛	98⅝	99⅛	11/7	14.69	14.96
Citicorp O/S F. 6 94	‡0⅛	99	99½	8/6	18.81	18.95
Citicorp O/S F. 83	§‡0	99	99½	23/5	16.06	16.18
Citicorp O/S F. 84	‡0	99	99½	30/5	16.94	17.07
C. Itoh 5¼ 87	0⅛	101	101½	18/9	19.44	19.20
Co-operative Bk. 6 86	0⅛	97⅜	97⅞	15/11	11.44	11.72
Creditanstalt 5½ 91	§‡0⅛	98⅜	98⅞	14/6	18.44	18.69
CNT 5¼ 86	§0⅛	101⅛	101⅝	16/10	18⅛	17.88
GZB 5½ 89	‡0⅛	98⅝	99⅛	1/8	15⅛	15.42
Jugobanka 8 89	0⅞	90¼	91¼	23/5	16	17.63
Ind. Bank Japan 5¼ 87	0⅛	100⅞	101⅜	15/10	18⅝	18.54
LTCB Japan 5⅛ 86	0⅛	97⅞	98⅜	13/6	14⅛	14.52
LTCB Japan 5½ 89	0⅛	97⅜	97⅞	7/6	14.19	14.53
Mfrs. Han. O/S 5¼ 94	‡0⅛	98⅜	98⅞	30/5	17⅛	17.36
Midland Intl. Fin 5 89	0⅛	99¼	99¾	20/6	15	15.08
Nacional Fin. 6¼ 85	0⅛	98⅜	98⅞	25/7	14.69	14.89
Nat West. 5¼ 94	§0⅛	101⅛	101⅝	11/10	18⅝	18.35
Nippon Credit 6⅛ 86	0⅛	97⅝	98⅛	12/7	14.44	14.75
Nippon Credit 5⅛ 87	‡0⅛	97⅜	97⅞	6/8	18⅝	18.72
Royal Bk. Scot. 5¼ 94	§‡0⅛	99⅛	99⅝	11/7	18⅝	18.60
Soc. C. de Bque 6½ 87	0⅛	101⅜	102⅛	2/10	20.06	19.67
Sogenal 5⅛ 89	‡0⅛	97½	98	13/7	14.44	14.77
Standard Chart. 5¼ 90	0⅛	100⅝	101⅛	6/9	17⅛	17.12
Sweden 5⅛ 91	‡0⅛	†97⅜	98⅛	18/10	18⅝	18.01
TVO Pwr. 8 91 (D-lock)	0⅛	96⅛	96⅝	24/5	15.37	15.37
Williams & Glyn 5¼ 91	0⅛	100⅛	100⅝	14/6	18⅝	18.43
Bq E d'Alg. 4½ 89 SE	0⅛	†85	86	18/8	6.69	7.82

Average price changes... on day 0 on week −0⅛

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Aktiebolag 7¾ 89	10/79	145	†113	114	+1	−3.59
Ajinomoto 7¾ 95	2/80	618	99⅜	100⅜	+1⅜	−1.46
Alco Int Fin 9½ 94	1/80	40	†90½	92	+0⅜	32.73
Asahi Optical 7 94	11/79	606	†97⅛	98⅛	+0⅞	16.69
Canon 6⅞ 94	8/79	570	106	107	+1½	1.67
Credit Suisse 4⅛ 93	10/79	1325	101	103	+1⅛	4.76
Daiei Inc. 6½ 94	11/79	1120	94⅞	95⅞	−0⅛	34.24
DDKK 11 90	4/80	324	†111⅞	112⅞	+0⅛	5.09
Dynalectron [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ericsson [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
LPC International [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Medienas [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Mitsubishi Co. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nippon Seiko [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nitto Elec. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Toshiba Cpn. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Union Bk. Switz. [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fujitsu 6 84 DM	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Kansai Elec. 4 84 DM	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tokyo Ltd. Cp. [illegible] DM	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Uny Co 6½ 85 DM	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.
Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte = Date next coupon becomes effective. Spread = Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn = The current coupon. C.yld = The current yield.
Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

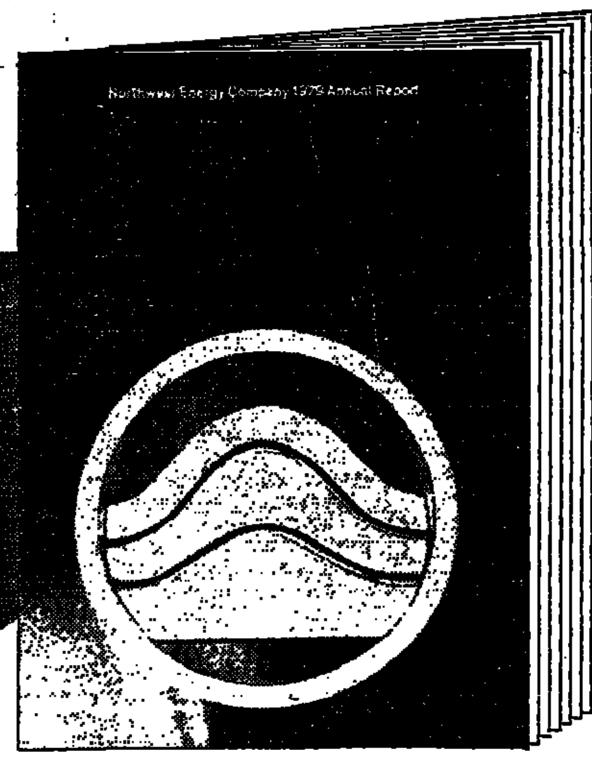
Just out

These twelve Annual Reports represent the second instalment of a 3-part Financial Times feature, designed to keep investors up-to-date on 36 major North American companies.
If you missed Part 1 published yesterday you can still use the coupon to send for the Annual Reports featured in it.

Look for Part 3 tomorrow.

Hospital Corporation of America

HCA is an international health care services company, currently owning and managing hospitals and other medical facilities in more than 150 communities throughout the world. HCA's hospitals are located principally in the fast growing "sunbelt" area of the U.S. HCA was the 13th fastest growing NYSE listed company over the past 10 years. Since its founding in 1968, HCA has never had a down quarter and earnings have grown at an annual compound rate of 30%. Revenues in 1979 exceeded $1 billion and earnings increased 26% to $3.05 per share. HCA is a recent addition to the S & P 500. (NYSE Symbol: HSP)

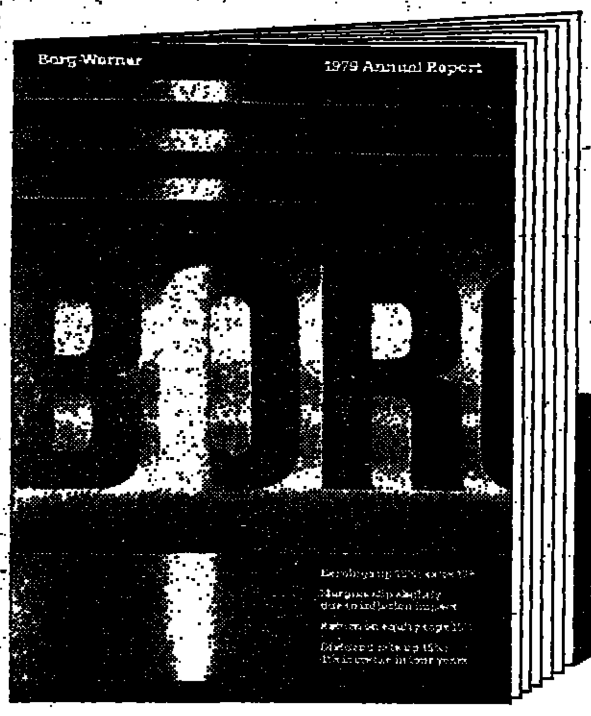


Northwest Energy Company

Northwest Energy Company, through subsidiaries, supplies natural gas to seven western states, is operating partner for the group which will construct the Alaskan section of the Alaska Highway Pipeline Project, seeks to develop Rocky Mountain natural gas and oil reserves and operates an underground coal mine in Colorado.

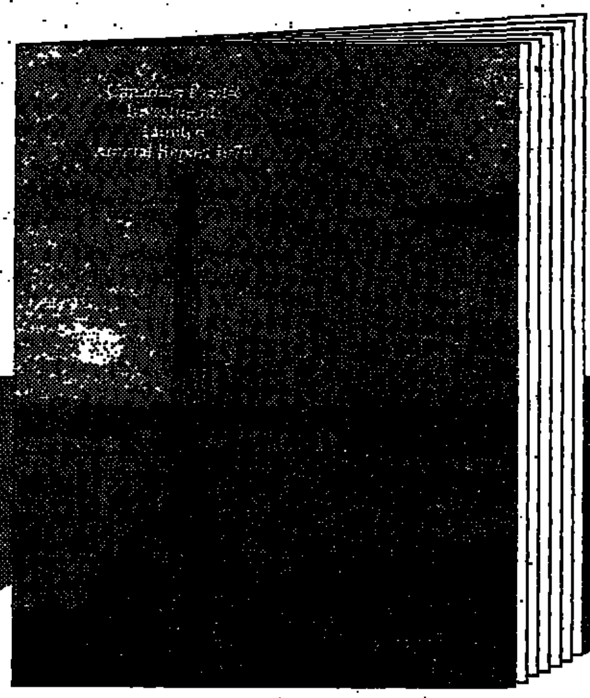
Year Ended December 31, 1979

Operating Revenues	Net Income	Per Share
$1.1 billion	$41,300,000	$4.55



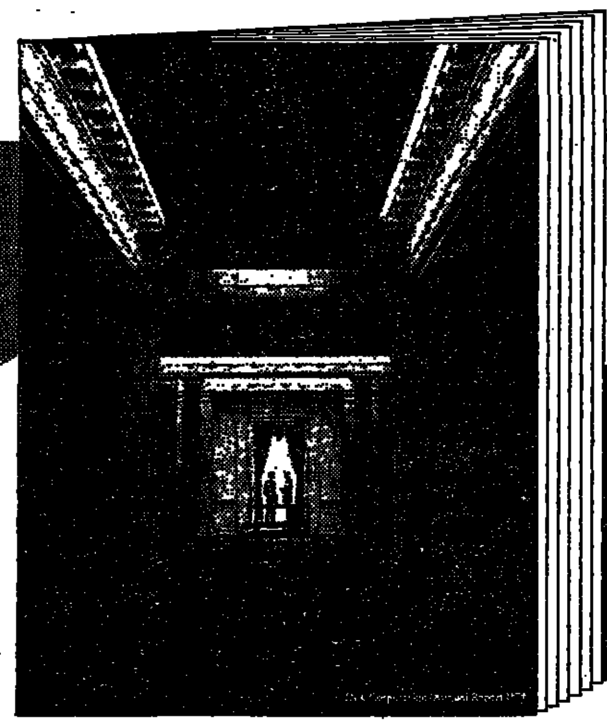
Borg-Warner Corporation

Borg-Warner's 1979 results were the best ever. Sales totaled $2.7 billion, up 17%. Earnings increased 16% to $7.25 per share. Return on shareholders' equity topped 15%. Strongest gains were in the company's Chemicals/Plastics and Services groups.
Featured in the annual report are examples of technology and product innovation taking place at Borg-Warner. They include products for the automotive, air conditioning, energy and environmental control industries.



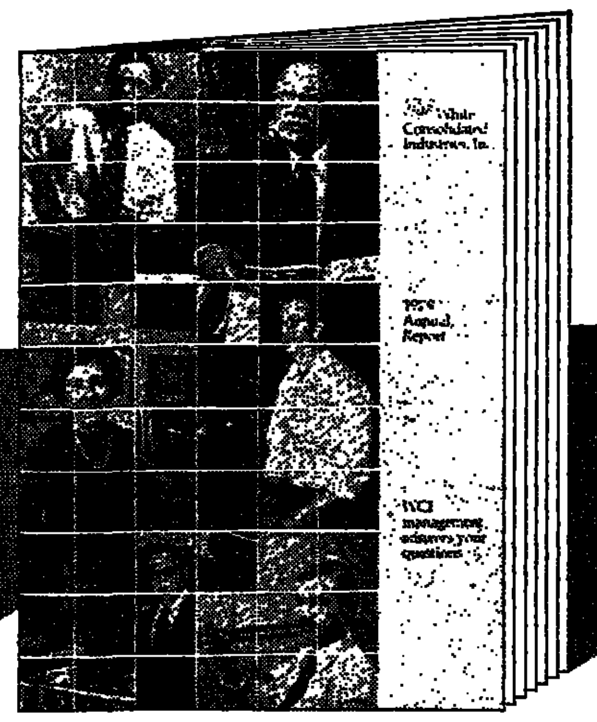
Canadian Pacific Investments Limited

Canadian Pacific Investments Limited is a management company that controls and provides strategic direction to a group of resource-oriented and manufacturing companies plus other firms. In 1979, CPI had consolidated net income of C$420.3 million, compared with restated 1978 income of C$284.7 million, and paid dividends of C$1.45 per share. CPI's interests include oil and gas, mining, iron and steel, forest products, real estate, hotels and restaurants, rendering, chinaware, insurance and other financing activities.



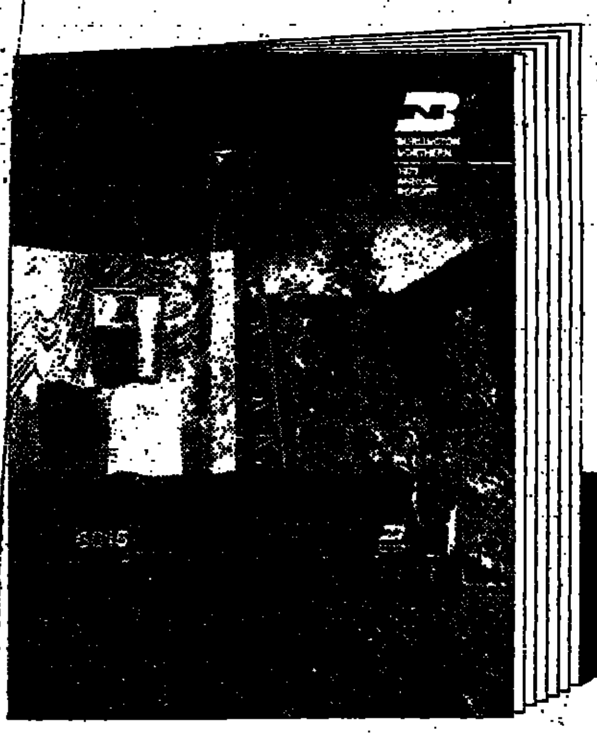
INA Corporation

INA Corporation's net operating income was up 16% to a record $245 million, or $6.34 per share, on record revenues of $4.6 billion. Cash dividends declared increased 18% to $2.05 per share. Based on the current quarterly rate, the annual dividend equals $2.20 per share. INA, founded in 1792, has worldwide operations in property-casualty insurance, life and group insurance, health care and investment management.



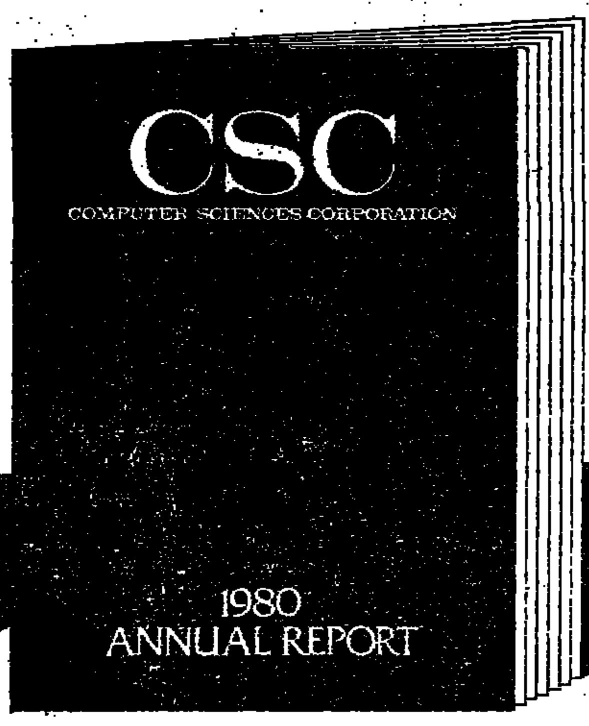
White Consolidated Industries, Inc.

White Consolidated Industries, Inc. is a diversified, international marketer and manufacturer of major home appliances and industrial equipment and machinery. In 1979, sales exceeded the $2 billion mark for the first time while net income topped $75 million, both records.
WCI is America's third largest major appliance producer, marketing such brand names as Frigidaire, White-Westinghouse, Kelvinator and Gibson. WCI is also a leading supplier of capital equipment such as machine tools, valves and controls, road paving machinery, printing equipment and steel mill and foundry machinery.



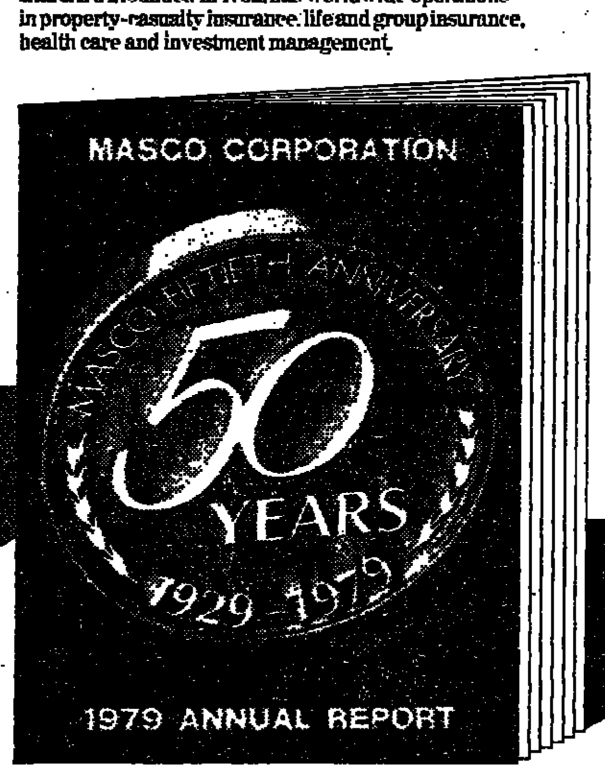
Burlington Northern Inc.

Burlington Northern Inc., a transportation and natural resources company based in St. Paul, Minnesota, reported another year of record financial results in 1979. Total corporate earnings rose 53 percent to $175.6 million or $13.11 a share on a 28 percent increase in revenues and sales to $3.25 billion. The company sees its growth over the next five years stemming chiefly from increases in revenues and income in four areas: railroading, air freight forwarding, forest products and oil and gas.



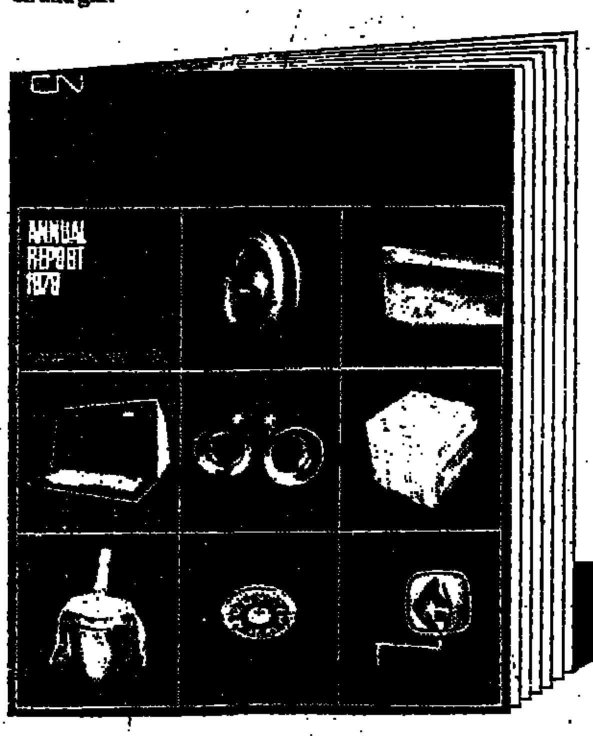
Computer Sciences Corporation

Computer Sciences Corporation is a leader in serving the worldwide markets for network time-sharing services and computer-communications systems technology. The year ended March 28, 1980 was the fifth successive year of record profits and revenues. Fiscal 1980 net earnings of $22.7 million, or $1.70 per primary share, were up 60% over the prior year. Revenues of $452.6 million were up 32%. NYSE symbol: CSC.



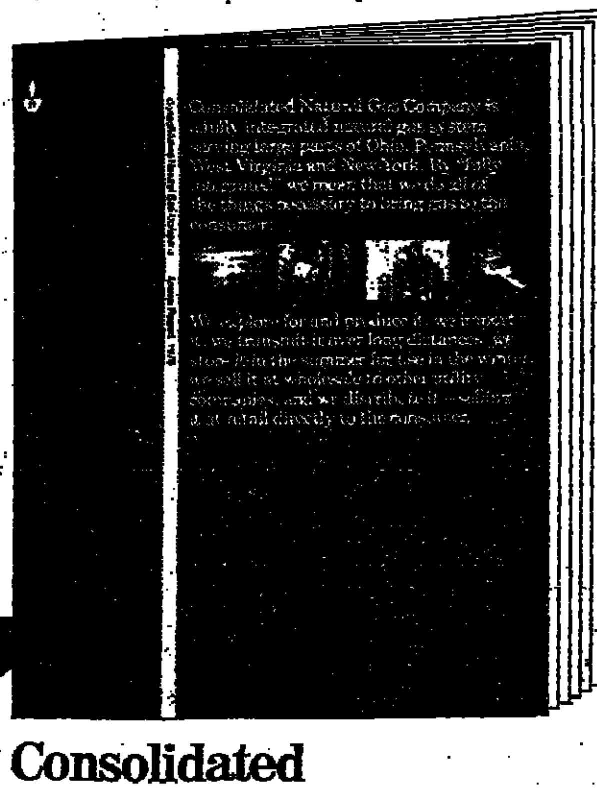
Masco Corporation

TWO DECADES OF GROWTH... Masco manufactures faucets and other residential and home improvement products; energy-related and other specialty products; and cold extruded and other components for industry. Send for our 1979 Annual Report: to learn more about the company; how it has achieved 23 consecutive years of growth; and how we believe Masco's sales, from internal growth alone, will double over the next 5 years.



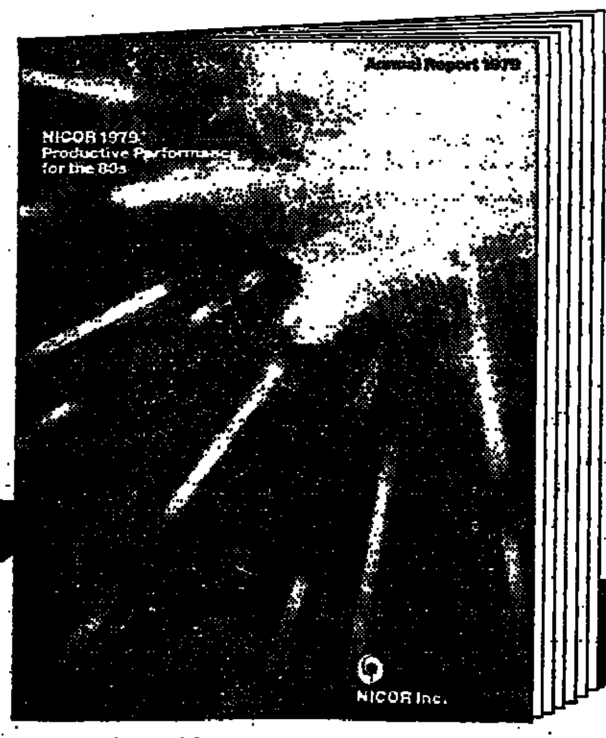
Canadian National

Canadian National is a diversified transportation company. It operates in all 10 provinces of Canada and with its subsidiary lines has direct access to 12 states in the U.S.A. In 1979 it achieved its best financial results in its 57-year history. Gross revenues were C$3.29 billion. Net income after taxes was C$206 million. The company also includes an extensive telecommunications network; a chain of hotels; CN Tower; express and trucking services; ferries and coastal vessels; a dockyard; a range of national and international consulting services.



Consolidated Natural Gas Company

Consolidated operates one of the country's largest integrated natural gas systems and is involved in gas exploration, production, transmission, imports, storage and distribution. Increased Gulf of Mexico production contributed $1.21 a share to total 1979 earnings of $6.30 a share. The 1979 net was up 12 percent from 1978 and marked the sixth consecutive year of increased earnings. Sales exceeded $2 billion for the first time, and the dividend was increased to an annual rate of $3.24 a share.



NICOR Inc.

NICOR has subsidiaries in oil and gas exploration and development; oil and gas contract drilling; barging of petroleum and chemical products; marine and diesel equipment repairs; acquisition, development and mining of coal reserves; gas distribution; and other energy activities. Net income rose almost 13% to $87.4 million on revenues of $1.6 billion in 1979. Earnings per share were $4.77. The May 1 dividend was increased by 6% to 67¢ per share. The dividend rate has been increased in 21 of the past 22 years. NYSE: GAS.

Just ask

Please send me the following Annual Reports.

- Borg-Warner Corporation ☐
- Burlington Northern Inc. ☐
- Canadian National ☐
- Canadian Pacific Investments Limited ☐
- Computer Sciences Corporation ☐
- Consolidated Natural Gas Company ☐
- Hospital Corporation of America ☐
- INA Corporation ☐
- Masco Corporation ☐
- NICOR Inc. ☐
- Northwest Energy Company ☐
- White Consolidated Industries, Inc. ☐

I also want these Annual Reports, featured on May 21st.

Ætna Life & Casualty ☐	Holiday Inns, Inc. ☐
AMETEK ☐	IU International ☐
Crum and Forster ☐	Nabisco, Inc. ☐
EDO Corporation ☐	Prime Computer, Inc. ☐
ENSERCH Corporation ☐	Pullman Incorporated ☐
Esmark, Inc. ☐	Western Bancorporation ☐

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BORROWER PROFILE — AUSTRIA

New foreign markets to be tapped

BY PETER MONTAGNON

AUSTRIA'S EXPORT financing institution Oesterreichische Kontrollbank is to step up its borrowing abroad. Dr. Helmut Haschek, general manager, says that this reflects a need to give priority to other borrowers on the domestic capital market and to finance the country's rising balance of payments deficit.

Projected Kontrollbank borrowing abroad this year has thus been raised by some Sch 6bn from previous estimates, Dr. Haschek said. This will give a gross borrowing total of between Sch 25bn and Sch 28bn with net new offtake Sch 20bn to Sch 23bn.

The increased requirement means that Kontrollbank will tap new markets abroad as well as the Swiss and German capital markets on which it has traditionally concentrated. As a start it is to float a Sch 500m bond in international markets.

This will not be a schilling Eurobond in the strict sense of the term, as Austria is anxious to avoid the development of a Euro-schilling market. While the issue is denominated in schillings, the transaction currency will be U.S. dollars at a guaranteed exchange rate against schillings.

The coupon has been set at 9¾ per cent with an issue price indicated around par, perhaps at a slight premium. The issue is lead-managed by Orion and S. G. Warburg.

One reason for the increased borrowing is that the Austrian current account deficit is now expected to reach some Sch 25bn this year including the errors and omissions. This compares with earlier estimates of Sch 18bn and a deficit of Sch 18.8bn in 1979.

There are two main factors behind the higher deficit. One is higher oil prices, which have affected every country in the world this year. Another is the peculiarly Austrian problem of heavy demand for imported consumer durables, particularly cars.

This problem first surfaced three or four years ago as Austrians flocked to the car market when living standards rose following the mid-70s recession. At the time it was thought to be a temporary phenomenon, but this year's experience shows that it is more permanent in nature reflecting sharply increased expectations in a country where living standards have risen significantly in a relatively short period of time.

Meanwhile the burden of financing the current account deficit has fallen this year largely on the shoulders of the Kontrollbank. Dr. Haschek believes it is in a good position to do this because it lends in foreign currencies as well as borrowing them.

Last year total Austrian borrowing on international capital markets was $1.22bn., figures from the Organisation of European Co-operation and Development show. This was somewhat lower than the $1.52bn raised in 1978.

At the same time the deterioration in the trade deficit was already apparent with the monthly average shortfall rising to Sch 5.3bn from Sch 4.6bn in 1978. Imports averaged Sch 22.5bn per month and exports Sch 17.2bn compared with Sch 19.3bn and Sch 14.7bn a year earlier.

Dr. Haschek explained that another reason for the Kontrollbank move has been a decision to limit new issuing activity on the domestic bond market. This was taken because of the strains imposed on Austria's "hard currency policy" by the high international interest rate environment. This policy aims to set a stable relationship between the schilling and the D-mark, the currency of Austria's main trading partner.

High interest rates abroad, especially in Germany, have compelled the Austrian authorities to adopt a stricter monetary policy. Liquidity is being made available by the Austrian National Bank in strictly measured doses—just enough to keep the economy on an even keel without any excesses that would cause the schilling to slide against the mark, which trades at around Sch 7.13.

The result has been a natural contraction in demand for domestic securities by banks so that new issue volume has had to be regulated. This year net new offtake on the domestic market will be Sch 67.1bn, about 22.5 per cent down on last year.

Priority is being given to borrowers who raise funds for use within Austria. This means institutions such as mortgage banks and the Government whose gross offtake will be Sch 28.5bn, 10 per cent more than last year. Net government borrowing will, however, fall by 5 per cent.

Record profits and rights from ACI

By James Forth in Sydney

AUSTRALIAN Consolidated Industries, the major glass, plastics and packaging group, boosted group profit by 42 per cent to a record A$40.6m ($U.S.46m) in the year to March 31. The group plans to raise $A40m through a rights issue.

The move comes within days of sales of certain plastics interests which brought ACI between A$7m and A$9m, and suggests that the group is preparing for an expansionary move.

ACI itself has been mentioned as a takeover target in recent months and only last December it announced a surprise scrip issue, which had the appearance of a defensive move to ward off a possible bid. The group is known to be looking for areas in which to diversify and is interested in energy. Its name has been linked with the New South Wales coal group, Oakbridge, and ACI recently admitted that it had bought a holding reportedly between 5 and 10 per cent.

The rights issue will be on a one-for-five basis at A$1.60. ACI shares rose on the Sydney stock market yesterday from A$2.06 to A$2.25 on news of the higher earnings and issue.

On this basis the rights to the issue would have a theoretical value of 54 cents.

ACI's profit for the latest year jumped from A$28.6m to A$40.6m, and the directors have raised the dividend from 12.5 cents to 15 cents. Earnings per share amounted to 32.3 cents a share, twice covering the higher payout.

The directors said they expected to pay at least 15 cents a share on the increased capital. The group also disclosed a A$51.2m revaluation of land and buildings.

Improved profits were earned in all divisions in Australia, except fibreglass. Overseas operations also showed an improvement.

TEXTILE PROFITS

Recovery in Japan: trebling at Teijin

BY RICHARD C. HANSON IN TOKYO

THREE OF JAPAN'S largest synthetic textile manufacturers have reported recoveries in sales and profits for the year ended March 31 as the impact of anti-recession measures, combined with strong demand and more profitable exports, took hold.

The outlook for the industry this year is mixed, however, because of the chances of a turndown in economic activity in the latter half and the prospect of higher raw material costs.

Teijin, the largest manufacturer of polyester in Japan, more than trebled its net profit to Y7.2bn ($31.8m), from Y2.23bn, on a 19.6 per cent increase in sales to Y403.46bn ($1.78bn). Exports were down 3 per cent, to account for 20.4 per cent of sales compared with 25.2 per cent last year, as a result of slower textile plant exports. A sharp drop in the value of the yen in the latter half, however, brought the company Y1.5bn in foreign exchange gains on those exports.

Teijin has declared a 10 per cent dividend for the first time in three years. Last year the company paid 8 per cent.

Teijin's sales of Tetoron materials, more than half of the total (particularly to producers of magnetic video and audio tapes) were strong. The company was able, with healthy demand, to pass on about 75 per cent of the higher costs of raw materials to the consumer.

Kuraray, which ranks first in the world in vinylon production, boosted net profit by 230.2 per cent to Y667m ($2.9m) on sales—up 15.3 per cent to Y190.5bn for the year. The company's exports were up 21.6 per cent to account for 21.9 per cent of sales, and brought exchange gains of about Y4bn.

Kuraray produced a profit this year without heavy reliance on the sales of securities and other assets. The company was not, however, prepared to restore a dividend, absent since the 1976 fiscal year. Continued strong sales during the first half of the current year raise the possibility of a dividend, but the full year promises to produce a rather flat earnings performance.

Unitika, based in Osaka, had a rise in sales of 8.4 per cent to Y196.2bn, and a 270.5 per cent jump in net profit to Y578m. The company did not, however, reap any immediate foreign exchange gains from the fall in the yen, because it exports through trading companies. The company has sold about Y5.1bn in assets in the year and is paying no dividend for the fourth year.

The synthetic textiles industry generally has been under reconstruction through agreements on reducing production volume over the past two years to stabilise market prices. The companies are embarking on programmes to scrap equipment, while investing in plant to produce materials where demand remains strong.

This is most notable in Teijin's case. It spent most of a total of about Y14.8bn last year on expanding production of Tetoron film, used in the booming video tape industry, and is planning another Y20.5bn in spending this year.

Oerlikon-Buehrle sees sales gain

By John Wicks in Zurich

OERLIKON - BUEHRLE, the Swiss armaments to shoes group, expects sales to increase in 1980 and predicts that profits will be "good."

Last year the group returned SwFr 243.9m ($145m) on a worldwide basis, excluding the results of the U.S. acquisition of Motch and Merryweather. In 1978 earnings totalled SwFr 227.9m.

Turnover rose by 15.2 per cent to SwFr 3.88bn. When sales of Motch are included the sales total reaches SwFr 4.13bn.

Sales this year should rise by a further five to 10 per cent. In the first three to four months, arms orders have been at 1979 levels while all non-military product sectors have experienced higher new order levels.

The military sector, which last year accounted for some 45 per cent of group sales, remains "much more profitable" than other operations. Up to 80 per cent of earnings may be generated by the military products.

The year started "very well" for machine-tool business, while further growth is also expected in vehicle manufacture, welding technology and ultra-high-vacuum and thin-film technology. The Bally subsidiary is also expected to improve.

The textiles division, which remained in the red in 1979, is booking higher sales, while "satisfactory" business is reported for hotel, insurance and real-estate subsidiaries.

Krupp Steel optimistic after ending losses

BY ROGER BOYES IN BONN

THE KRUPP steel making wing, Friedrich Krupp Huettenwerke, recorded a profit in 1979 after four years of substantial losses and seems reasonably confident earnings this year will also be satisfactory.

This represents a major turnround for the company which, like other German steelmakers, has benefited from last year's revival in demand for crude steel. But FKH—which is to be renamed Krupp Stahll next month—has also made a significant shift of emphasis to special steels, which should ensure that it will avoid the heavy losses of the mid-1970s. Much depends on international political and economic developments, however.

The mortgage of the past four years, however, still weighs heavily on the company. FKH made DM 10m in net profits last year compared with losses of DM 65.8m in 1978.

Crude steel production rose by 7.2 per cent to 5.4m tonnes last year and turnover increased by over 19 per cent to DM 5.23bn, although this last development was partly influenced by the consolidation into the accounts of the Gerlach plant.

The ratio of profits to turnover is admittedly small. Moreover, Dr. Wilhelm Scheider, chairman of the FKH board, warns of the considerable uncertainties surrounding raw material costs, the political problems such as trade embargoes, protectionist moves in the U.S. and flagging demand from major customers such as the motor industry.

But the first four months are showing a "positive" result according to company executives and FKH is relatively optimistic about the remainder of the year, despite the possibility of international problems. The main driving force behind the good performance in the first four months is the special steels section, rather than basic or quality steels, which are starting to cause concern.

Special steels are likely to be FKH's trump card in the 1980s. The company launched a sweeping re-equipment programme in the 1970s, which, it believes, will make it one of Europes leading special steels producers. While this has produced fresh vulnerabilities—its dependence on highly priced scrap, for example—it has also ensured FKH an important niche in one of the healthier parts of the steel market. Special steels now account for 52 per cent of sales compared with 47 per cent in 1978.

Preussag back to dividends

By Our Bonn Staff

PREUSSAG, the diversified West German metals and energy group, is to resume dividends after an absence of three years. For 1979 shareholders will receive DM 7 a share, which is the equivalent of their last payment in 1976.

The group moved out of the red in 1978 but profits remained depressed. Last year it clearly gained from the recovery in the German steel industry and from the more stable prices to be found in the non-ferrous metals industry.

Westdeutsche Landesbank is a major shareholder in Preussag.

Estel reduces loss in first quarter

BY CHARLES BATCHELOR IN AMSTERDAM

ESTEL Hoesch-Hoogovens, the Dutch-German steel group, sees no prospect of returning to profit in the current quarter although it managed to reduce its pre-tax loss in the first quarter of 1980.

A downturn in the steel division in the first three months of the year contrasted with improvement in the company's remaining divisions. Continuing share price rises for energy, raw materials and sea freight tariffs are expected to depress the 1980 result.

Estel recorded a pre-tax loss of Fl 53.6m ($27m) in the first 1980 quarter, down from the losses of Fl 90.6m in the previous quarter and of Fl 70.8m in the first 1979 quarter. The previous quarter's result was, however, depressed by non-recurring spending on structural improvements.

At the operating level, profit nearly doubled to Fl 55.9m from Fl 32.3m in the previous quarter and was well up on the Fl 14m profit in the comparable 1979 period.

Turnover rose 3.5 per cent to Fl 3.53bn ($1.8bn) over the preceding three months and was 24 per cent higher than in the first 1979 quarter.

The result of the steel processing division was better than the average performance in 1979 and a small profit was made. The trading division also made a considerable improvement largely due to higher volume sales from stocks.

Estel's two steelmaking plants, in Ijmuiden and Dortmund, both made a loss in the first quarter. This was partly due to the fact that personnel shortages meant that Ijmuiden could not work at the required capacity. Dearer energy and raw materials prices meanwhile could not be fully passed on in the sales prices.

Pig iron production fell 3 per cent to 2.18m tonnes compared with the preceding quarter but was 14 per cent up on the first 1979 quarter. Crude steel production fell 5 per cent to 2.7m tonnes but was 9 per cent up on the first 1979 quarter. Estel made 2.24m tonnes of rolled steel products—3 per cent less than in the preceding quarter and unchanged on the year-before quarter.

Metro Meat merger called off

By Our Sydney Correspondent

OVERSEAS CORPORATION and Metro Meat yesterday called off their proposed A$65m (US$73.6m) merger. This follows a A$7m sharemarket raid on Tuesday by McIlwraith-Davey the hardware and building products group, which gave it almost 13 per cent of Overseas Corporation, and enough to block the merger. The shares were sold by disenchanted institutional holders who opposed the merger of a household products manufacturer and a meat and cold stores group.

The merger was to be achieved through a takeover of both companies by a newly-formed holding company. The bid is due to close tomorrow but the directors confirmed yesterday that they would have insufficient acceptances by the closing date, and the merger would not go ahead.

Meanwhile, McIlwraith-Davey said nothing further about its purchase and its intentions although it is expected to make a A$60m bid for control of Overseas.

Kyoto Ceramic gain

BY YOKO SHIBATA IN TOKYO

KYOTO CERAMIC, Japan's leading manufacturer of ceramic products for the electronics industry and a highly export-oriented company, has reported a sharp gain in earnings for the fiscal year ended March, helped by demand from the semiconductor industry and by the yen's depreciation.

Operating profits advanced by 80.6 per cent to Y24.4bn ($107.7m), and net profits by 75.3 per cent to Y12.04bn.

The sharp jump in turnover from Y50.34bn to 781.9bn resulted from the system adopted by the company to pass on increases in the price of gold, which is used for integrated circuit packages, on the selling prices.

The dividend total is Y26.75 compared with Y25. The company increased its capital by 20 per cent on April 1 with a free offer.

Firm demand for integrated circuit (IC) packages is expected in the current year ending March, 1981 and the company is planning Y5.9bn of investment in capacity expansion, equal to that of 1979-80. By expanding and streamlining its domestic sales network, Kyoto hopes to move away from over-dependence on exports, which are liable to be hit by exchange fluctuations.

Operating profits are expected to reach Y26.2bn, up 7 per cent this year, with net profits at Y13.2bn, up 15 per cent, and sales at Y100.3bn, up 22 per cent.

Haw Par sharply ahead

BY OUR SINGAPORE CORRESPONDENT

A GREATLY improved performance from Haw Par Brothers International, the Singapore investment concern, has been reported for the year to December 31. Pre-tax profits for the group were S$12.45m (US$5.8m) in contrast with last year's loss of S$3.09m. Profit after tax was S$9.03m, compared with the previous loss of S$4.97m.

Extraordinary items amounted to S$14.90m in comparison with S$19.29m. The group profit attributable to shareholders was S$22.90m, up from the previous year's S$14.08m.

The parent company's pre-tax profit was S$8.91m—down from last year's S$13.67m. Extraordinary items amounted to S$19.10m compared with the previous loss of S$5.19m. Attributable profits are S$23.24m compared with S$8.27m for the previous year.

The company is recommending a first and final dividend of 7 cents per S$1 ordinary share (nil last year).

The 1979 results incorporate the profits of the Setron group for the period July 1, 1979 to December 31. The results of Haw Par and Setron exceeded the profit forecast made at the time of the takeover of Setron.

Extraordinary items comprise mainly the profit arising out of the sale of the Tiger Balm Gardens in Hong Kong.

Companies and Markets

CURRENCIES, MONEY and GOLD

Sterling strong

Sterling rose to its best level for nearly five years in currency markets yesterday, underpinned by further rises in oil prices, and indications that UK interest rates are unlikely to fall in the near future. The Bank of England's trade weighted index for sterling, which measures its performance against a basket of currencies, rose to its best closing level since August 1975 at 74.1, although it touched this level in April this year at a noon calculation. Yesterday's close was up 0.8 from Tuesday's close of 73.3.

The pound's rise came despite efforts by the Bank of England to hold down the rate. After opening at $2.3020-2.3030 against the dollar, it rose to $2.3120 where it was held for a time by the Bank. It eased back to $2.3085 soon after but improved once more in fairly active but not heavy trading to $2.3225. Again Bank of England intervention was detected, and although sterling touched $2.3315 later in the day, it had fallen back to $2.3250 just before 5 pm. However late demand for the pound pushed it to a best level of $2.3335, and it closed at $2.3315-2.3325, a rise of 4.1c from Tuesday and its best level since May 1975. It was also sharply firmer against European currencies, rising from DM 4.1325 to DM 4.1725 against the D-mark and from FFr 9.6200 to FFr 9.7100 in terms of the French franc.

Trading centred around sterling but the dollar was still sharply weaker mainly on lower U.S. interest rates. Euro-dollar rates were quoted at 10¾ per cent for the three-months compared with 11 3/16 per cent on Tuesday, and the six-month rate was lower at 10 5/16 per cent compared with 11¼ per cent. In New York Federal funds were quoted as low as 6 per cent but came back soon afterwards, while Chemical Bank cut its broker loan rate to 14 per cent from 15 per cent, with such a move generally preceding cuts in prime rates.

Against the D-mark the dollar fell to DM 1.7880, close to its worst level of the day and compared with DM 1.8030 on Tuesday. In terms of the Swiss franc it fell to SwFr 1.6610 from SwFr 1.6785. On Bank of England figures, the dollar's trade weighted index fell from 85.4 to 84.5.

The Canadian dollar rose to 86.30½ U.S. cents from 86.18½ after results of the referendum.

D-MARK — Showing renewed strength against the dollar and within the European Monetary System following firmer rates in Frankfurt and lower U.S. interest rates — The dollar was fixed at DM 1.7926 in Frankfurt yesterday, down from Tuesday's fixing of DM 1.8030.

FRENCH FRANC—Maintaining its position as the most improved currency within the EMS—The French franc was mixed at yesterday's fixing in Paris, with the U.S. dollar slipping to FFr 4.1727½ from FFr 4.2060 and the West German mark higher at FFr 2.3284 compared with FFr 2.3220 previously.

JAPANESE YEN — Energy and balance of payments problems reflected in sharp decline last year. Although the situation over oil supplies remains uncertain, easier U.S. interest rates have helped the yen recover—The dollar fell to Y224.8 in Tokyo yesterday, down from an opening level of Y226.2 and Tuesday's close of Y228.70. The dollar's fall came despite support given by the Bank of Japan estimated at $200m. Demand for the yen prompted persistent and heavy dollar sales brought about partly by some position switching after last week's Government fall.

THE POUND SPOT AND FORWARD

May 21	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.3020-2.3335	2.3315-2.3325	1.67-1.57c pm	8.34	3.91-3.81 pm	6.62
Canada	2.6680-2.7030	2.7010-2.7030	1.10-0.95c pm	4.57	3.35-3.15 pm	4.81
Nethlnd.	4.52½-4.59½	4.58-4.59	2⅝-1¾c pm	5.89	7-6 pm	5.67
Belgium	66.15-66.90	66.80-66.90	8c pm-2 dis	0.54	28-18 pm	1.38
Denmark	12.87-13.01	13.00-13.01	1½-2⅞ore dis	−1.96	2-3½ pm	−0.84
Ireland	1.1040-1.1155	1.1140-1.1150	0.05-0.03p pm	0.43	0.22-0.17 pm	0.70
W. Ger.	4.12-4.18	4.16½-4.17½	3½-2⅞pf pm	7.55	8¾-7⅞ pm	7.31
Portugal	113.70-114.70	114.45-114.65	30-50c dis	−4.19	115-140 dis	−4.45
Spain	163.60-165.75	165.60-165.70	45-5c pm	1.85	20pm-45dis	−0.30
Italy	1938-1964	1963-1964	2½-½lire pm	0.92	3¼-1¼ pm	0.46
Norway	11.32-11.43	11.42-11.43	2⅞-1¾ore pm	2.23	12½-11 pm	4.11
France	9.60-9.72	9.70½-9.71½	4½-3½c pm	4.79	10⅛-9⅛ pm	4.07
Sweden	9.70-9.82	9.80¾-9.81¾	1½-½ore pm	1.37	5½-4⅝ pm	2.04
Japan	513-528	523-525	2.20-1.70y pm	4.46	6.05-5.55 pm	4.43
Austria	29.40-29.78	29.72-29.77	14-3gro pm	3.43	56-49 pm	7.06
Switz.	3.83-3.88½	3.87-3.88	4-3c pm	10.84	11¼-10¼ pm	10.97

Belgian rate is for convertible francs. Financial franc 68.45-68.55. Six-month forward dollar 6.47-6.37c pm. 12-month 8.90-8.80c pm.

THE DOLLAR SPOT AND FORWARD

May 21	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.3020-2.3335	2.3315-2.3325	1.67-1.57c pm	8.34	3.91-3.8 pm	6.62
Ireland†	2.0830-2.0910	2.0880-2.0900	1.60-1.50c pm	8.90	4.05-3.90 pm	7.60
Canada	1.1570-1.1600	1.1588-1.1591	0.26-0.30c dis	−2.90	0.34-0.39dis	−1.26
Nethlnd.	1.9645-1.9718	1.9660-1.9675	0.37-0.47c dis	−2.56	0.37-0.47dis	−0.85
Belgium	28.65-28.79	28.65-28.67	17-19c dis	−7.54	38-42 dis	−5.58
Denmark	5.5815-5.6010	5.5815-5.5830	4.50-5.00ore dis	−10.20	10¼-10¾ dis	−7.52
W. Ger.	1.7880-1.7935	1.7875-1.7885	par-0.10pf dis	−0.33	0.42-0.32 pm	0.83
Portugal	49.00-49.30	49.00-49.15	30-45c dis	−9.17	75-120 dis	−7.95
Spain	70.98-71.20	70.98-71.04	35-50c dis	−1.18	120-155 dis	−7.74
Italy	841.60-843.30	841.60-842.10	5-6lire dis	−7.84	13½-15 dis	−6+77
Norway	4.8980-4.9117	4.9010-4.9020	1.80-2.30ore dis	−5.02	2.50-3.00dis	−2.24
France	4.1600-4.1750	4.1600-4.1620	1.27-1.37c dis	−3.81	2.80-3.00dis	−2.78
Sweden	4.2070-4.2170	4.2075-4.2090	2.55-2.70ore dis	−7.48	5.40-5.50dis	−5.18
Japan	223.20-224.90	224.45-224.55	0.70-0.90y dis	−4.28	1.35-1.55dis	−2.54
Austria	12.75-12.79	12.75-12.76	0.50-1.20gro dis	−0.80	2¾ pm-¾ dis	0.31
Switz.	1.6570-1.6715	1.6605-1.6615	0.52-0.42c pm	3.39	2.05-1.95 pm	4.82

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

May 20	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	17	0.568472	0.609141
U.S. $	13	1.30072	1.39371
Canadian $	13.34	1.52666	1.63594
Austria Sch.	6¾	16.7234	17.9092
Belgian F.	14	37.6623	40.3411
Danish K	13	7.32240	7.84940
D'Mark	7½	2.34520	2.51287
Guilder	10	2.57738	2.76165
French Fr.	9½	5.47083	5.85918
Lira	15	1102.36	1181.17
Yen	9	297.865	314.979
Norwgn. Kr.	9	6.42035	6.87728
Spanish Pts.	8	93.0015	99.6606
Swedish Kr.	10	5.51375	5.90935
Swiss Fr.	3	2.17936	2.33489

CURRENCY MOVEMENTS

May 21	Bank of England Index	Morgan Guaranty Changes%
Sterling	74.0	−31.8
U.S. dollar	84.5	−9.0
Canadian dollar	81.4	−16.4
Austrian schilling	155.0	+23.7
Belgian franc	115.5	+14.1
Danish kroner	106.2	−5.0
Deutsche mark	154.7	+44.4
Swiss franc	196.1	+78.3
Guilder	125.0	+19.3
French franc	100.9	−6.0
Lira	53.3	−50.9
Yen	126.6	+25.2

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England index=100).

OTHER CURRENCIES

May 21	£	$		£ Note Rates
Argentina Peso	4195-4215	1802-1809	Austria	29.25-29.55
Australia Dollar	2.0470-2.0510	0.8810-0.8815	Belgium	67.25-67.85
Brazil Cruzeiro	116.03-117.03	49.935-50.135	Denmark	12.84-12.91
Finland Markka	8.56-8.58	3.6790-3.6810	France	9.58-9.64
Greek Drachma	98.378-100.678	42.75-42.95	Germany	4.12½-4.15
Hong Kong Dollar	11.40-11.42	4.9100-4.9130	Italy	1904-1968
Iran Rial	n/a	n/a	Japan	518-524
Kuwait Dinar(KD)	0.617-0.627	0.2692-0.2693	Netherlands	4.52½-4.55½
Luxembourg Frc.	66.80-66.90	28.65-28.67	Norway	11.30-11.37
Malaysia Dollar	5.0375-5.0475	2.1695-2.1715	Portugal	108-113½
New Zealand Dlr.	2.3645-2.3695	1.0175-1.0185	Spain	158¾-166½
Saudi Arab. Riyal	7.63-7.73	3.3280-3.3295	Sweden	9.70-9.75
Singapore Dollar	4.9700-4.9800	2.1405-2.1425	Switzerland	3.83½-3.86½
Sth. African Rand	1.8350-1.8375	0.7870-0.7880	United States	2.32-2.329
U.A.E. Dirham	8.54-8.64	3.7200-3.7250	Yugoslavia	47-49

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU May 21	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.3967	−1.53	+0.63	±1.53
Danish Krone	7.72336	7.85679	+1.73	+0.83	±1.64
German D-Mark	2.48208	2.51549	+1.35	+0.45	±1.125
French Franc	5.84700	5.85661	+0.16	−0.74	±1.3557
Dutch Guilder	2.74362	2.76402	+0.74	−0.16	±1.512
Irish Punt	0.668201	0.673442	+0.78	−0.12	±1.668
Italian Lira	1157.79	1182.98	+2.18	+1.79	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

May 21	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.332	4.173	524.0	9.710	3.875	4.585	1964.	2.702	66.85
U.S. Dollar	0.429	1.	1.789	224.7	4.164	1.662	1.966	842.0	1.159	28.67
Deutschemark	0.240	0.559	1.	125.6	2.327	0.929	1.099	470.6	0.648	16.02
Japanese Yen 1,000	1.908	4.450	7.963	1000.	18.53	7.395	8.750	3747.	5.156	127.6
French Franc 10	1.030	2.402	4.297	539.6	10.	3.991	4.722	2022.	2.783	68.85
Swiss Franc	0.258	0.602	1.077	135.2	2.505	1.	1.183	506.7	0.697	17.25
Dutch Guilder	0.218	0.509	0.910	114.3	2.118	0.845	1.	428.2	0.589	14.58
Italian Lira, 1,000	0.509	1.188	2.125	266.9	4.945	1.974	2.335	1000.	1.376	34.05
Canadian Dollar	0.370	0.863	1.544	193.9	3.594	1.434	1.697	726.7	1.	24.74
Belgian Franc 100	1.496	3.488	6.242	783.8	14.53	5.797	6.859	2937.	4.042	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one-month 9.60-9.70 per cent; three-months 9.70-9.80 per cent; six-months 9.70-9.80 per cent; one year 9.70-9.80 per cent.

May 21	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	17-17¼	8¼-8¾	—	10⅞-11⅛	4½-4¾	9¼-9⅜	12⅝-12⅞	14-16	—	12¼-12½
7 days' notice	16½-16¾	8¼-8¾	—	10⅞-11⅛	3¾-4¼	9 1/16-9 3/16	12⅝-12⅞	14-17	8 5/16-8 7/16	12¾-13¼
Month	17⅜-17½	9-9¼	12½-12⅞	11⅛-11⅜	6-6⅛	9 5/16-9 7/16	12 1/16-12 5/16	16-17½	9 7/16-9 9/16	13-13⅛
Three months	17¼-17½	10⅜-10⅝	11⅞-12¼	11⅛-11⅜	6-6⅛	9⅝-9 13/16	12⅞-13⅛	16¼-17¼	10 5/16-10 7/16	12 15/16-13 1/16
Six months	16¼-16½	10 5/16-10 7/16	11⅛-11⅜	10⅞-11⅛	5 7/16-5 9/16	9⅜-9½	13-13¼	16-17	10 5/16-10 7/16	12 1/16-12⅜
One year	14⅞-15⅛	10½-10¾	10⅝-11	10¾-11	5⅞-6	8 13/16-8 15/16	13 1/16-13 5/16	16½-17½	10¾-10⅞	11 5/16-11 7/16

Long-term Eurodollar two years 11-11¼ per cent; three years 11-11¼ per cent; four years 11-11¼ per cent; five years 11-11¼ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two days' notice. Asian rates are closing rates in Singapore.

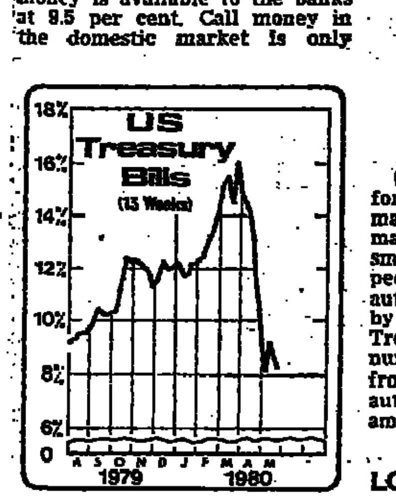
INTERNATIONAL MONEY MARKET

Frankfurt easier

The downward trend in U.S. interest rates, and the recent increase in West German rates, has created renewed demand for the D-mark and helped to ease seasonal shortages of funds in the Frakfurt money market. An inflow of foreign exchange to Germany, attracted by the swing in interest rates, has assisted the money market over shortages of liquidity caused by payments of tax. The long holiday weekend may lead to some delay in payments to the German authorities, but the major part of the tax season is expected to be completed some time next week.

The central bank has also added funds to the market under its Lombard facility, where money is available to the banks at 9.5 per cent. Call money in the domestic market is only slightly higher than the Lombard rate—quoted at 9.55-9.65 per cent yesterday—thanks to the relatively easy conditions.

This compares with a call money rate of over 10.5 per cent earlier this month. Period rates were unchanged yesterday, with one-month at 10.00-10.15 per cent; three-month at 10.10-10.25 per cent; six-month at 9.80-10.00 per cent; and 12-month at 9.40-9.60 per cent.



MONEY RATES

NEW YORK

Prime Rate	16-16½
Fed. Funds	7-8
Treasury Bills (13-week)	8.16
Treasury Bills (26-week)	8.30

GERMANY

Discount Rate	7.5
Overnight Rate	9.55
One month	10.075
Three months	10.175
Six months	9.90

FRANCE

Discount Rate	9.5
Overnight Rate	12.75
One month	12.6875
Six months	12.6875

JAPAN

Discount Rate	9.0
Call (Unconditional)	12.625
Bills Discount (three-month)	13.875

GOLD

Slight rise

Gold rose $7 an ounce in the London bullion market yesterday to close at $512-516. However, it eased back in New York as sellers entered the market. Initially in London the metal showed a firmer tendency, and after opening at $508-512, it rose to $511.75 at the morning fixing mainly in response to the latest round of oil price rises. During the afternoon gold was fixed at $513.50, but after the opening of New York markets, it failed to hold this level as profit takers entered the market.

In Frankfurt gold closed at $512-515 an ounce compared with $506-511.

In Zurich the metal finished at $511-515 against $502-507 previously.

GOLD

	May 21		May 20	
Gold Bullion (fine ounce)				
Close	$512-516	(£220-222)	$505-509	(£220½-222½)
Opening	$508-512	(£220½-222½)	$508-512	(£222-224)
Morning fixing	$511.75	(£221.537)	$509.80	(£222.815)
Afternoon fixing	$513.50	(£220.386)	$507.75	(£221.822)
Gold Coins				
Krugerrand	$527½-529½	(£226¾-228¾)	$525-528	(£229-231)
Mapleleaf	$517-527	(£221-226)	$520-525	(£227-229½)
New Sovereigns	$131-132	(£56¼-57¼)	$130½-131½	(£57-57¾)
King Sovs.	$156-159	(£67-69)	$155-159	(£67½-70)
Victoria Sovs.	$157-160	(£67½-69½)	$156-160	(£68-70½)
French 20s	$140-144		$137-142	
50 pesos Mexico	$639-645		$630-637	
100 Cor. Austria	$505-511		$498-504	
$20 Eagles	$633-636		$630-634	
$10 Eagles	—		—	
$5 Eagles	—		—	

UK MONEY MARKET

Small help

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

Conditions were fairly comfortable in the London money market yesterday, on monthly make-up day for the banks. A small shortage of credit was expected, and in the event the authorities gave small assistance by buying a small amount of Treasury bills and a small number of local authority bills from the discount houses. The authorities also lent a small amount to two or three houses, overnight at Minimum Lending Rate.

Banks brought forward small surplus balances, and Government disbursements were moderately above revenue payments to the Exchequer. On the other hand there was a small net take up of Treasury bills to finance, while houses repayed moderate overnight borrowing.

Discount houses paid up to 16¾ per cent for secured call loans, and closing balances were taken at 13-16 per cent.

In the interbank market overnight loans opened at 15½-15¾ per cent and touched 17 per cent in the afternoon, before falling to 8 per cent at the close.

Rates in the table below are nominal in some cases.

LONDON MONEY RATES

May 21 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	8-17	—	—	—	17½	13-17	—	—	—
2 days notice	—	—	17⅝-18	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	16¼-17	17¾-18	—	17¼	17¼	16⅝	—	—	—
One month	17-16⅞	16⅞-17 1/16	17¼-17⅝	18¼-17⅞	17 5/16	17½	16⅝	15 27/32-16	17⅜	17¾
Two months	17-16⅞	16½-17⅛	—	18-17½	17 1/16	—	16½-16⅝	16 1/16	16 7/16	17⅜
Three months	17-16⅞	16⅞-17 1/16	17-17¼	17⅛-17	17 1/16	17½	16¼-16⅜	16 5/32	16½	16⅞
Six months	16 1/16-16⅛	16⅛-16⅝	16-16¼	16⅜-15⅞	16 1/16	—	—	—	15⅛	16⅝
Nine months	15 11/16-15 13/16	15 11/16-15 13/16	—	16¼-15⅞	15⅞	—	—	—	—	—
One Year	14⅞-14¾	15-15 1/16	15¼-15⅛	15⅝-15⅜	15⅜	—	—	—	—	—
Two years	—	—	15⅛-15¼	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. *Long-term local authority mortgage rate nominally three years 14⅞-15 per cent; four years 14¾-14⅞ per cent; five years 14½-14¾ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 16¾ per cent; four month trade bills 16¾ per cent.

Approximate selling rates for one-month Treasury bills 15⅞-15 27/32 per cent; two months 16 1/32 per cent; three-months 16 1/32-16⅛ per cent. Approximate selling rates for one-month bank bills 17 1/32 per cent; two months 16 23/32 per cent; three months 16 21/32-16⅝ per cent; one-month trade bills 17½ per cent; two months 17¼ per cent; and three-months 16⅞ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 18 per cent from May 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 16.1427 per cent.

VONTOBEL EUROBOND INDICES

145.76=100%

PRICE INDEX	13.5.80	20.5.80	AVERAGE YIELD	13.5.80	20.5.80
DM Bonds	94.07	94.96	DM Bonds	8.698	8.627
HFL Bonds & Notes	92.35	92.65	HFL Bonds & Notes	9.942	9.888
U.S. $ Strt. Bonds	88.05	88.03	U.S. $ Strt. Bonds	11.330	11.321
Can. Dollar Bonds	91.03	90.40	Can. Dollar Bonds	11.828	11.898

COMPANY NOTICES

ALLIED IRISH BANKS LIMITED

Notice is hereby given that the Transfer Books of the Company will be closed from 9th to 13th June, 1980, both dates inclusive, for the purpose of preparing warrants for the Final Dividend in respect of the year ended 31st March, 1980.

By Order of the Board
D. B. Motyer
Secretary

Bankcentre, Ballsbridge
Dublin 4, Ireland
22nd May, 1980

QUEBEC CENTRAL RAILWAY COMPANY

CAPITAL STOCK

In preparation for the payment of the half-yearly dividend due July 15 1980 on the above Stock, the Transfer books will be closed at 3.30 p.m. on June 20 and will be re-opened on June 24 1980.

W. E. REEVE,
Assistant Secretary.

50 Finsbury Square,
London EC2A 1DP.
May 22 1980.

PUBLIC NOTICES

BIRMINGHAM COUNCIL BILLS

£8.0m 91 day Bills issued 22nd May, 1980 mature 21st August, 1980. Applications totalled £68m. Minimum accepted price £95.97½. Average rate of discount £16.144%. Total Bills outstanding £23.25m.

SOLIHULL METROPOLITAN BOROUGH

£1m Bills due on 20th August 1980 were offered on 21st May 1980 and were allocated at a rate of 16 9/16%. Applications totalled £9m. This issue will bring the total of Bills outstanding to £4m.

APPOINTMENTS

Chloride main Board post

Mr. David S. Burnet has been appointed to the main board of CHLORIDE GROUP. Mr. Burnet was managing director of Clyde Batteries Pty., Australia, from 1962 until the company was acquired by Chloride in 1972. He is at present chairman of Chloride's automotive operations in the UK and Continental Europe.

★

Lord Stokes of Leyland has been appointed to the board of SUITS, Lonrho's wholly owned Scottish holding company. Lord Stokes has also joined the boards of SUITS' motor distribution subsidiaries, the Dutton-Forshaw Group and Jack Barclay.

★

Thomson group changes

A major operating group has been formed by THOMSON BRITISH HOLDINGS, under the title of Thomson Information Services, which will incorporate Thomson Data, Thomson Magazines, and a company to be established for the publication of local directories. The new group will be operational from June 1.

Mr. W. M. Brown, a joint deputy managing director of Thomson British Holdings, will be chairman of Thomson Information Services. The Board will consist of Mr. R. I. Eyres, Mr. W. Heeps, Mr. M. Hyams, Mr. M. S. Mander, Mr. B. G. Paver, Mr. M. Weekes, all executive directors, and Mr. E. G. Hedgcock as a non-executive director. Mr. Eyres remains managing director of Thomson Yellow Pages.

Mr. Heeps, who for the last three years has been managing director of Thomson Magazines and has been largely responsible for carrying through the successful development programme, becomes managing director of Thomson Data with responsibility for the development of the group's expanding interests in the information sciences both in Europe and the U.S. He will be joining various Boards in his new position.

Mr. Hyams becomes chairman of Thomson Data and remains chairman and chief executive of Derwent Publications. He will continue his strategic role in furthering Thomson's position in information services in Europe and the U.S.

Mr. Mander is appointed managing director and chief executive of Thomson Magazines, which will include Thomson consumer and business publications in the UK, Australia, South Africa, and the publishing companies with which Thomson is involved in Europe, for all of which areas continuing growth is planned. He will be joining the relevant magazine publishing Boards in Britain and North America. He remains on the Board of Times Newspapers as a non-executive director.

Mr. Paver will continue to undertake his responsibilities for the special interest operations in the UK and his existing responsibilities for various overseas companies, all of which will be part of Thomson Magazines, and he will join that board. Mr. Weekes is appointed commercial director, to include financial responsibility. Mr. Hedgcock is a director of a number of companies within the Thomson group, including Computacar, of which he is chairman.

In the educational publishing division, Thomas Nelson will be a separate operating group with its corporate headquarters in Toronto, Canada. Mr. J. Fleming, as chairman and chief executive, will be responsible for all Thomas Nelsons operations throughout the world.

Within trade publishing, the various trade book publishing companies, Michael Joseph, Hamish Hamilton, Rainbird, Sphere Books, and TBL Book Services, which form Thomson Books, will continue as their own operating group and operate as before under their own imprints.

Mr. B. Llewellyn will be relinquishing full time employment with the group on June 30, 1980 to have the time to develop his private business interests. Both he and the group have agreed to maintain a very close and continuing relationship, and arrangements have been concluded by which Mr. Llewellyn will act as a consultant to the group in relation to its information, publishing and travel interests. He will, for the foreseeable future, remain chairman of Thomson Books, and continue either as non-executive chairman or director of such other companies as is mutually agreed. Mr. C. N. D. Cole, a director of Thomson British Holdings, will join the Board of Thomson Books.

On the headquarters staff, Mr. J. Bryers, personnel director of Thomson Publications, is joining the headquarters staff of Thomson British Holdings, at Stratford Place, prior to taking up another senior appointment in the group.

★

Mr. Maxwell Creasey has been appointed a non-executive director of GRAINGER TRUST. Mr. Creasey, who is deputy managing director of MEPC, replaces Mr. R. H. Sheppard, who has retired from the board of Grainger Trust (and who was managing director of MEPC from 1964-1972).

★

Mr. T. M. Hearley has joined the board of CROUCH GROUP as a non-executive director.

★

Mr. Edward W. B. Watson has been appointed managing director of CHEMRING LIMITED. Mr. Ian M. Fairfield remains chairman and chief executive of the Chemring Group.

★

BANKERS TRUST COMPANY has appointed Dr. Eckhard [illegible]chalk, vice-president, as deputy Europe/UK group head responsible for business with European governments and European-based banks. He will continue to be located in New York.

Early Wall St. retreat of 8.9

A DECIDEDLY weaker tendency prevailed on Wall Street yesterday morning in fairly active trading.

Analysts said the market was overbought and the decline was considered largely technical following the advance of the past four weeks.

The Dow Jones Industrial Average retreated 8.88 to 823.63 and the NYSE All Common Index 32 cents to $61.03. Falls outpaced rises by about a two-to-one margin, while volume expanded to 24.04m shares from Tuesday's 1.00 pm level of 22.63m.

The market seemed unaffected by indications that the Federal Reserve is willing to see rates ease further. The Fed allowed the Federal Rates to fall to 9¼ per cent before intervening yesterday morning to prevent rates from going lower. Previously, the Fed had intervened when Federal funds traded at 10¼ per cent.

Twentieth Century-Fox lost 1¼ to $47¾. The company said it will have difficulty this year surpassing last year's earnings of $6.92 a share.

Metro-Goldwyn-Meyer, in contrast, gained ⅜ to $21¼ on stating that its largest shareholder, Tracinda Investment, is considering making a tender offer to buy MGM common stock.

Active ATT eased ⅛ to $53. It has authorised the sale of $600m of intermediate-term debt in June.

THE AMERICAN SE Market Value Index eased 0.17 to 259.56 at 1 pm on volume of 2.38m shares (2.00m). Declines on the Exchange outnumbered advances by 240-to-188.

Sharon Steel moved ahead 1¼ to $7⅞. According to press reports Sharon Steel earlier this week filed with the SEC to raise its interest in City Investing. Tamco Enterprises has offered to purchase for $30 cash per share the assets of City Investing, which opened on the New York SE ¼ off at $25¼.

Closing prices for North America were not available for this edition.

Canada

Stock prices were boosted early yesterday on the Montreal and Toronto Stock Exchanges by Quebec voters' rejection in a referendum of their government's proposal for partial independence from Canada.

The Toronto Composite Index, up 24.3 initially, was a net 14.7 higher at 1,902.4 at noon. The Oil and Gas Index gained 20.0 to 4,121.2 and Golds 81.4 to 2,990.3. In Montreal the Composite Index gained 2.60 to 321.34, Banks 5.38 to 346.50, Utilities 2.97 to 244.51 and Papers 1.02 to 167.52.

Brascan "A" rose ⅜ to C$25¼ after higher earnings.

Bank issues had widespread gains as Royal rose 1¼ to C$46¾.

Tokyo

With Resources issues, Trading Houses, Light Electricals and Shippings particularly in demand, the market continued its strong rally, after Monday's sharp setback which was related to Japan's political disruption. Trading was fairly active with turnover reaching 330m shares against Tuesday's 280m.

The Nikkei-Dow Jones Average, after falling 98.67 on Monday and recovering 72.97 on Tuesday, forged ahead 114.88 to 6,822.18 yesterday. The Tokyo SE Index closed 4.98 stronger at 467.01.

Among Trading Houses, Mitsubishi advanced Y29 to Y695, C. Itoh Y27 to Y460, and Mitsui Y23 to Y355.

Nippon Oil rose Y100 to Y2,100, Teikoku Oil Y100 to 1,400, Mitsui Mining Y49 to Y810, Mitsubishi Petrochemical Y28 to Y358, TOA Nenryo Y60 to Y900, Sony Y70 to Y2,080, TDK Electronic Y50 to Y2,070 Ricoh Y16 to Y548 and Sanko Steamship Y23 to 355.

Germany

Bourse prices generally remained in easier vein, although shares were beginning to pick up in late trading. The Commerzbank Index slipped 1.7 more to 700.9.

Daimler continued to resist the downtrend, rising DM 3 to DM 263.50 for a two-day gain of DM 5, with foreign demand believed to be boosting the price. Also in Motors, Mercedes was another firm exception, gaining DM 1.80 to DM 221.30.

Elsewhere, Preussag shed DM 1 to DM 192 despite announcing a DM 7 dividend after paying nothing the previous year. Deutsche Bank lost DM 1.50, AEG, in Electricals, DM 1.80 and Thyssen, in Steels, DM 1.40.

Public Authority Bonds were again irregular, registering gains ranging to 25 pfennigs and declines to 35 pfennigs. The Bundesbank sold DM 5.2m nominal of paper after buying DM 8m on Tuesday. Mark Eurobonds continued to hold steady.

Amsterdam

The market adopted an easier stance, with KLM, which reported a lower April load factor, declining Fl 2.40 to Fl 64.30. ABN, in Banks, lost another Fl 3 to Fl 286.

Australia

In the absence of market-affecting news, Minings and Industrials recorded scattered mixed movements while the Oils sector turned mainly easier.

Weakness in the Oil shares was attributed to some profit-taking and technical adjustments after the recent upsurge. Bridge Oil receded 15 cents to A$3.85, Woodside Petroleum 7 cents to A$2.60, Lennard Oil 10 cents to A$1.45 and Vawgas 10 cents to A$5.30.

Australian Consolidated Industries rose sharply in late trading on reporting a substantial profits increase, closing 20 cents higher at A$2.25.

Clifton Brick put on 10 cents to A$1.65 on reports that Monier will increase its takeover offer.

However, Industrials leader BHP lost another 10 cents to A$13.10, while CSR retreated 16 cents to A$5.70 and Comalco 10 cents to A$5.50.

Among Minings, MIM advanced 15 cents more to A$4.20, while Coal and Allied remained active and improved a further 10 cents to A$10.20. Bougainville Copper hardened 5 cents to A$2.05, but CRA relinquished 12 cents to A$5.26, and Jimberlana Minerals 15 cents to A$1.75.

Paris

Shares were mixed in a very quiet market ahead of the end of the monthly accounting period.

Oils and Electricals weakened, while Banking and Insurance, Foods, Rubbers and Chemicals were mixed. Real Estates and Investment Portfolios, Stores and Engineerings tended to improve.

Peugeot-Citroen, despite lower consolidated profits for 1979, gained FFr 5 to FFr 222, while Ferodo, on higher annual group profits, put on FFr 2 to FFr 370.

Hong Kong

After losing further ground in the early stages, the market recovered towards the close on institutional demand, with some leaders closing higher on the day. The Hang Seng Index, initially 6.69 lower, picked up to finish 0.56 harder on balance at 890.98.

Among the leaders, Hong Kong Electric gained 5 cents to close at HK$5.85, Hong Kong Wharf 50 cents to HK$70.50, Hutchison Whampoa and Jardine Matheson 10 cents each to HK$8.95 and HK$14.90 respectively.

Elsewhere, Hopewell firmed 40 cents to HK$11.20, but Green Island Cement lost 50 cents at HK$46.50 and China Light 10 cents to HK$19.50.

Johannesburg

Gold shares and Mining Financials closed firmer across the board in sympathy with the higher Bullion price.

President Brand rose R2 to R41.50 and GFSA R5 to R80.00. Kloof hardened 50 cents to R31.50 despite an underground fire at the mine.

Platinums and Coppers were higher, while Industrials generally improved.

CANADA

Stock	May 20	May 19
Abitibi	19	18¼
Agnico Eagle	11¾	11⅛
Alcan Alumn.	28¾	28¼
Algoma Steel	28¾	28
Asbestos	34¼	34
Bk Montreal	26¼	24⅞
Bk Nova Scotia	28⅝	27¼

BELGIUM (continued)

May 21	Price Frs.	+ or —
Petrofina	5,050	—60
Royale Belge	5,500	—50
Soc Gen Banq	2,405	......
Soc Gen Belge	1,344	+6
Sofina	3,230	—20
Solvay	2,550	......
Traction Elect.	2,675	+50
UCB	1,392	—18

HOLLAND

May 21	Price Fls.	+ or —
ACF Holding	72	—0.20
Ahold	66.50xd	+0.50
AKZO	23.80	—0.10
ABN	286	—3
AMEV	97.80	+0.30
AMRO	62.30	+0.10
Bredero Cert.	199.50	—20.70

AUSTRALIA

May 21	Price Aust. $	+ or —
ANZ Group	4.50	+0.05
Acrow Aust	0.80	......
Allstate Expl.	1.12	......
Ampol Pet.	1.20	—0.05
Assoc. Pulp Pap.	2.15	......
Audimco	0.25	—0.01
Aust Cons Ind.	2.25	+0.20
Aust Guarant.	1.36	+0.01

JAPAN (continued)

May 21	Price Yen	+ or —
Kubota	353	—1
Kumagai	347	—3
Kyoto Ceramic	3,140	......
Lion	359	—1
Maeda Cons.	464	+1
Makita	985	—5
Marubeni	385	+17
Marudai	570	—2

Indices

NEW YORK ACTIVE STOCKS

Spanish prices, Page 24

New model for recruiting urban spacemen

BY MICHAEL DIXON

"THERE'S one time when I still feel particularly tongue-tied," confessed a recruitment consultant not long ago. "It's when I've been asked to find a young executive for a company, and its top man bubbles with pride as he spells out the superb executive benefits his firm provides byw ay of health schemes and pensions and insurance. A good many company chiefs seem to set great store by such things, even though they may be no older than their 30s themselves.

"When that happens, the problem for me is how—without pricking the bubble too abruptly or seeming to imply that the chief is over the hill—to point out that benefits like that aren't exactly of the first importance when it comes to attracting *young* people to go and work for them."

Fortunately, today the Jobs Column can refer that tongue-tied consultant to a counterpart who by all appearances has found the solution. He is David Halstead of Accountancy Placements. (His address is 8 Cavendish Place, London, W1M 9DJ; telephone 01-636 6936, telex 8954058: and since he may not name his client he promises, like the other recruiters to be mentioned later, that any applicant who so requests will not be identified to the employer until permission is given).

Mr. Halstead telephoned the column this week with an urgent order for a chartered accountant who qualified two or three years ago, to join an extending accountancy practice based in the West End of London, 'as personal assistant to one of the audit partners. The main task is to supply detailed "i-dotting and t-crossing" support so as to enable the partner to continue meeting his work-schedule without going whatever is the accountants' equivalent of the normal person's bananas.

The reason both for the opening and for its appearance on the open market is that internal promotion possibilities have been diminished by the firm's rapid growth, self-generated and by acquisition, to the point of having half a dozen branches around the country. Like the partner, the personal assistant will do much travelling. Someone with potential to earn an early partnership would be preferred.

Now, the difficulty of finding such a recruit was illustrated here three weeks ago by the young, London-based chartered accountant who was not only receiving an £11,500 salary at the age of 23, but also stated convincingly that he was far from unusual among his kind. As I noted at the time: if the modern definition of a high-flyer is someone with a salary of £12,000 at the age of 30, then evidently a fair number of young chartered accountants in London are veritable urban spacemen.

As such, they are averse to being talked down for a salary of only £10,750. This is evidently as much as David Halstead's client feels it proper to pay in addition to worthy benefits by way of health and pension schemes which, of course, constitute something less than a siren's song to the sort of thrusting young person required. But Mr. Halstead seems to have solved the tongue-tied consultant's solution by persuading his client to brighten u pthe perks with the offer of a car.

I cannot be sure whether that perk, which appears unusual among young qualified staff in the profession, will prove an effective lure. But since it will certainly do no good to the health of other readers whose blood was alread yboiling over — as one put it — "the inflationary pampering of whipper-snapper accountants," I will therapeutically refer them to today's next consultant.

Down to earth

HE IS Geoffrey King, of Cambridge Recruitment Consultants, and he refuses to accept that employers need offer the moon to obtain a capable financial accountant. As it happens, he is currently seeking one aged 30 or a bit more, on behalf of an audio-electronics company. It has a turnover of about £4.5m and some 300 employees, and is based in East Anglia approximately one and a-half hours of travel from London.

Not long ago (and with the aid of this column) the founder of the company engaged a new managing director to establish professional management of the business in the wake of rapid growth. One conclusion drawn by the new MD is that while prospects for continued growth remain good, there are too many loose ends in the company's financial control. Hence its return to the market.

The main tasks of the job to be filled are twofold. The first is to diagnose what financial-control system is needed, to set it up, and to maintain it. The second task is to advise the MD, who has an electronics background, on financial issues affecting and likely to affect the business.

At the start the recruit will have half a dozen staff, but it is thought that the number may need to be increased fairly quickly to about 20.

Candidates, Mr. King thinks, need to be qualified accountants of at least five years' standing who have already managed a financial accounting operation in industry. They should be able to show that they know how an industrial business is put together financially, and to anticipate the sort of rapid changes which such businesses are heir to.

His idea of starting salary is around £12,000, with a car among the benefits, which caused me to wonder aloud whether that was not too little to be noticed from the stratosphere. But Geoffrey King replied that he was sure that the urban spacemen did not have a monopoly on the supply of capable youngish financial accountants.

"If you look in industry, and aren't fixated on chartered types, then there are plenty of people with a lot of potential who are sitting pushing pens, feling terribly bored, and being paid only about £8,500 a year," he said.

"So I'm sure the opportunity won't go begging, especially since succes will mean a Board seat, when the company'll be talking *real* money."

Inquiries to Mr. King at 1a, Rose Crescent, Cambridge, CB2 3LL; telephone 0223 311316.

On Board

DIRK DEGENHART, who holds the headhunters' record for the most telephone numbers wants a sales and marketing director to join the Board of a company in southern England, which manufactures furniture for bed-, living, and dining-rooms.

The newcomer will be responsible to the managing director for four main tasks. The first is reviewing likely market developments and recommending accordingly how the company should develop its product range and selling tactics. The second is to set appropriate marketing and sales objectives, together with supporting budgets and plans, for 1981 and beyond. The third task is to promote the company's forthcomin gproduct developments to senior managers in furniture stockists. The fourth is to represent the company in the relevant industry committees and so on.

Candidates should have been demonstrably successful in the marketing and sales of some form of consumer-durable product, if not of furniture in particular. Experience of management at or near Board level is also desired. Another essential is numeracy and skill in the analytical side of marketing. The age range is wide, 35-50, but is nonetheless somewhat stretchable at either end.

Mr. Degenhart's salary indicator for the job is around £17,000, with a car among the copious other benefits.

Inquiries to him at Dirk Degenhart and Partners, 140, Sloane Street, London, SW1X 9AY; telephones (owing to restrictions on space, only a selection can be printed) 01-730 5608, 01-730 0341, and 01-995 4719.

هكذا من الأصل

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Our client is particularly enthusiastic to appoint the right person for this important senior position, envisaging excellent career scope in the short, medium and long term, including partnership prospects.

Salary, which is flexible and for negotiation, will be at a sufficiently attractive level to secure the person selected. Excellent benefits are also attached including non-contributory pension and car.

Please write, in the first instance, with brief but concise details of career to date, indicating any firms in which you are not interested, to: Mark Southwood, Southwood Geraghty Associates, 72 Rochester Row, London, SW1P 1JU.

Southwood Geraghty Associates
72 Rochester Row, London SW1P 1JU

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Marketing and selling professional audio visual equipment our client is a subsidiary of an international group. With a £3 million turnover, the company is poised for expansion through the introduction of a range of unique products. Aged 25-29, applicants should be qualified accountants from commerce or the profession. Please telephone or write to David Hogg FCA quoting reference 1/1966.

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A Chartered Accountant is required to join the senior management team of this substantial British Group, long established as the leader in its field.

Responsible to the Financial & Administration Director and deputising in his absence, the successful candidate will supervise the accounting function via departmental managers.

The role embraces responsibility for the co-ordination and control of divisional statutory & monthly management accounts, budgets & forecasts and the review of major capital expenditure proposals. Other areas of direct involvement include financial policy & planning, detailed performance analysis and the on-going review & development of financial & management information systems employing in-house computer facilities.

The appointee will have the ability to effectively liaise with senior management at Head Office & the various Divisions and will also be expected to present an accurate & convincing case to the Board as required. A Directorship is envisaged.

Interested candidates should apply in confidence to:–

Sheldrick, Sedgwick & Goodyer
93-94 Chancery Lane, London WC2A 1DT. 01-404 0612
Senior accountancy & financial management selection

UNIVERSITY OF WARWICK
ASSISTANT INFORMATION OFFICER
in the
WARWICK STATISTICS SERVICE
2nd Advertisement

his commercial information service based on the University of Warwick Library has a vacancy for an information officer to contribute to its development and expansion. The post is supported by the Department of Industry for two years in the first instance, from 1st July 1980 with possible extension. Qualifications in Information Science or Librarianship, or in related disciplines such as economics or business tudies, with some experience in commercial information work required. Applicants should be numerate, with an understanding of the problems and uses of statistical and business information sources. A knowledge of a second language will be an advantage. Salary on the University Senior Library Staff IB scale: £5,052—£7,410 p.a. (as at 1st April; under review). Initial placing according to qualifications and experience. Applications (2 copies no forms) either typewritten or in black ink should give full background details and include the names and addresses of two referees (previous applicants need not re-apply). Further details from the Secretary and Registrar, University of Warwick, Coventry CV4 7A1, quoting Ref. No. 39/2B/80M. Closing date for receipt of applications 6th June 1980.

FINANCIAL CONTROLLER

Near Portsmouth **c £9500 + attractive benefits**

Responsible to the Board, the Controller will manage a staff of about 7 and administer the accounting function. Improvement of current reporting systems through the extension of computerisation is a priority, together with further development of the standard costing system. Project work leading to increased growth will provide an opportunity for overseas travel.

Our client, a self financed specialist manufacturing company in the leisure industry, has a highly successful record and exports the majority of its turnover of £7 million. Applicants (male or female) should be qualified, aged 26-30, and have industrial experience, preferably in a manufacturing environment. Please telephone or write to Stephen Blaney B.Comm, FCA quoting reference 1/1983.

EMA Management Personnel Ltd.
Burne House, 88/89 High Holborn, London, WC1V 6LR
Telephone: 01-242 7773

EXPERIENCED ACCOUNTANT REQUIRED

by young but rapidly expanding London group of companies, to control all financial and accounting activities. Comfortable working conditions and good prospects. Salary negotiable. Write with details to:

IAN H. ROSS & CO.,
209 Crescent Road,
New Barnet, Herts.
(Ref. ECBM)

Divisional Controller

(m or f)
Location: Brussels
£ 25 - 30.000

We are a leading financial institution involved in world wide activities. The rapid growth of one of our major divisions provides an excellent career opportunity for qualified accountants and/or MBAS with at least, two to three years' experience in financial management at the controller level in an industrial or commercial environment.

The controller will assume responsibility for the financial aspects of this division.

The job will encompass all aspects of financial reporting, including the development of management information, financial planning and cost control. The controller will be expected to make a significant contribution to the management of this division which, with turnover exceeding USD 100 billion, is an important area of the activities of this institution.

Candidates who may be of any nationality, will probably be in their early to mid thirties with a strong business orientation and be self starters, able to quickly develop effective relationships. Knowledge of French would be an advantage but is not essential.

Write to Universal Media, chaussee de La Hulpe 122, B-1050 Brussels, who will forward confidentially. Please mention reference 653 on the envelope.

Solicitor
Merchant Banking

J. Henry Schroder Wagg & Co. Limited require an additional Solicitor for the Group Secretary's Department. The person appointed will be involved in the full range of secretarial activities including statutory, legal, insurance, pension and property matters.

Experience of secretarial practice and company law is essential.

The salary will be negotiable and the Company's standard conditions of employment include four weeks' annual holiday, a non-contributory pension scheme, a mortgage subsidy scheme and a family medical insurance scheme.

Applications in writing giving details of age, education, qualifications and experience should be addressed to:

Mr. John R. Lambert,
J. Henry Schroder Wagg & Co. Limited,
120 Cheapside,
London, EC2V 6DS.

J. HENRY SCHRODER WAGG & CO. LIMITED

MANAGEMENT INFORMATION CONTROLLER

Central London **c£15K + car**

Working closely with the top management of our rapidly expanding client, the Controller will co-ordinate the production of annual plans and forecasts, ensuring commercial realism. Developing management information and liaising with senior executives on its use, he or she will also be responsible for cash management and capital expenditure.

Part of a worldwide group, our service industry client has grown dramatically, both organically and through acquisition, in recent years. Applicants should be qualified accountants aged 30-35 with management reporting expertise in a commercial environment. Please telephone or write to Graham Webster FCA, MBA quoting ref 1/1986.

EMA Management Personnel Ltd.
Burne House, 88/89 High Holborn, London, WC1V 6LR
Telephone: 01-242 7773

Jonathan Wren · Banking Appointments
The personnel consultancy dealing exclusively with the banking profession

FOREIGN EXCHANGE DEALER

The long-established London branch of a major overseas bank seeks a self-motivated dealer in his/her mid-to-late twenties to join its expanding dealing team.

Applicants should possess at least three years' experience of active dealing in a major currency.

Salary will be competitive together with usual fringe benefits.

Please telephone in confidence, or write enclosing a Curriculum Vitae to PETER LATHAM.

First floor—entrance New Street
170 Bishopsgate London EC2M 4LX 01-623 1266

LEASING OFFICER
INTERNATIONAL

Major leasing organisation whose shareholders include substantial Middle Eastern financial institutions, requires an Executive with a minimum of 3-5 years' experience in marketing and structuring of secured lending or lease transactions. Knowledge of financing all types of capital equipment, including credit evaluation is essential. Some background or familiarity with the technicalities of operational leases an advantage though not a pre-requisite.

The successful candidate would be based in an attractive Middle East locale with responsibilities for market development throughout the area. As the company is a dynamic and rapidly expanding organisation, opportunities for advancement are excellent. Compensation includes an attractive tax-free salary plus bonus and generous benefits.

Please reply in confidence to: Box A.7154, Financial Times, 10, Cannon Street, EC4P 4BY.

Senior Appointments

MANAGER FINANCIAL ANALYSIS
Heathrow £10,000

One of the top 500 U.K. manufacturing companies and part of an American group offers involvement in strategic long-range planning with responsibility for analysing results and carrying out special projects. Reporting to the U.K. Controller, the successful applicant will be a high-calibre, self-motivated graduate qualified accountant, preferably with a second modern European language. Usual large company benefits including annual bonus. Relocation expenses where appropriate will be paid. Ref. B844.

Apply in confidence to Ian Crichton or Mark Lockett.

ACCOUNTANCY PERSONNEL SENIOR APPOINTMENTS
41 London Wall, London EC2M 5TB · 01-588 5105

ASTLEY & PEARCE LIMITED
require an experienced
Eurodollar deposit broker

Applications to:
S. J. Rees
ASTLEY & PEARCE LTD.
80, Cannon Street, London EC4N 6LJ

SENIOR F.X. DEALER to £12,000

A substantial European bank's London branch, developing as the bank's principal centre of Money Market activity, wishes to engage an additional experienced Foreign Exchange Dealer. Candidates, aged in their twenties, should have a minimum of three years' all-round Foreign Exchange/Deposit dealing experience, including Arbitrage.

Please telephone KEN ANDERSON, Director

Jonathan Wren Banking Appointments
FIRST FLOOR ENTRANCE NEW STREET
170 BISHOPSGATE LONDON EC2M 4LX 01-623 1266

Ambitious Management Accountant
(ACMA/ACCA, CONTROLLER DESIGNATE)

to £12,500

ENFIELD, MIDDLESEX

Our client, a highly successful and progressive international company, now wishes to appoint an Accountant (aged 25+), with the necessary drive to assume an early Controllership as part of the overall development plan.

As understudy to the Financial Controller the selected candidate's field of responsibility and involvement will cover short & long term planning, capital expenditure appraisals, contracts & negotiations, the development of computer systems and special projects work.

Heading a small team the more regular duties include costing, budgets & forecasts and the production of annual & monthly accounts.

The strength of personality to influence both inside and outside the organisation are essential requirements of the role.

Interested candidates should apply in confidence to:–

Sheldrick, Sedgwick & Goodyer

93-94 Chancery Lane, London WC2A 1DT. 01-404 0612

Senior accountancy & financial management selection

U.S. STOCKBROKER
Specialising in
FINANCIAL INDUSTRIES

Young graduate, preferably with some financial experience or qualifications and interest in U.S. markets to assist firm's international marketing team. He/she will be required to qualify for NYSE registration. Opportunity to use languages (French/German).

Outstanding opportunity for ambitious young person to join the leading firm in this area. Salary range £5,000 - £7,500 depending on age, experience.

Apply:

MISS J. OAK
FOX-PITT, KELTON INC.
2 Wilson Street, London EC2

This advertisement is featured on page 599013 of Prestel

Chief Accountant

City **c.£14,000**

For a well established, profitable and continually growing insurance company, with wide international interests.

The appointee will have full responsibility for the accounting function, and its significant staff.

Candidates, probably 30-45, must be chartered or certified accountants. Management is a key part of the role, and personal qualities are as important as technical competence. Ideally applicants will have good commercial experience, tax knowledge, and EDP background, and some company secretarial ability. Previous insurance experience while not essential would be an asset.

Apart from a realistic salary, the benefits include an annual bonus, first class pension scheme and medical insurance.

For an application form telephone 01-248 6113, or write to E.M. Nell, Executive Selection Division, quoting reference 2070/L.

Peat, Marwick, Mitchell & Co.

Executive Selection Division. 165 Queen Victoria Street, Blackfriars, London. EC4V 3PD.

INTERNATIONAL AUDIT MANAGEMENT
mid/late 20's

West London Based **c. £12,000 + Car + Bonus**

A major U.S. based corporation with substantial international interests, our client is engaged in the development, manufacture and marketing of sophisticated, high quality information systems, products and services.

Following internal promotion, the company wishes to appoint an International Auditor who will report to the Corporate H.Q. in Chicago. He/she will be responsible for developing and fulfilling (with the assistance of a small team) a programme of operational and financial audits at the Group's European locations together with a variety of special investigations.

Candidates will be qualified accountants with at least two years post-qualifying experience either of internal audit in a commercial/industrial environment, OR in a major practising firm. They must be highly motivated self starters with the ability to operate effectively in a demanding and fast-moving multi-national company. The ability to relate effectively to financial and non-financial management at all levels is essential. Prospects are excellent and success in this appointment should lead to promotion in either Europe or the U.S.

For further information and a personal history form please contact Liam E. Fitzpatrick, A.C.M.A., 410 Strand, London, WC2R 0NS, telephone 01-836 9501 quoting reference 2883.

DOUGLAS LLAMBIAS DLA

Douglas Llambias Associates Ltd.
Accountancy and Management Recruitment Consultants

and at 26 West Nile Street, Glasgow G1 2PF (041-226 3101)
3 Coates Place, Edinburgh EH3 7AA (031-225 7744)

MCS Robertson & Scott

Offices in London, Manchester, Birmingham, Newcastle, Glasgow, Edinburgh, Aberdeen, Düsseldorf. Offices & affiliates worldwide. Open to both men and women.

Recruitment Division: Advertising. Search. Selection.

Investment Appraisal

A Key Managerial Opportunity

Salary negotiable around £13,000 p.a.

Our client, a major financial organisation in Scotland, is to make a key appointment to a small specialist team with the important task of investigating and assessing industrial investment projects.

The individual appointed will have wide responsibilities including following up enquiries for loan and equity finance particularly for small companies, the assessment of company performance and the appraisal of market and sales projections.

Additionally, there will be involvement in the collation of data concerning current projects, present production ranges and facilities and management structure.

The ideal candidate will be in the 28-35 age range (although applicants outwith this age group will be actively considered) and have industrial and/or commercial experience, backed by a degree or professional qualification, preferably in accounting or in a financial subject, coupled with initiative, drive and in-depth analytical ability.

In addition to a highly competitive salary our client offers an excellent rewards package including comprehensive relocation expenses.

Please send a concise C.V. quoting Reference R51933 to:

The Manager,
Confidential Reply Service,
MCS/ROBERTSON & SCOTT,
Dalnair House,
Croftamie, Glasgow G63 0EZ.

All letters will be opened, acknowledged and forwarded to our client. Please list separately any companies to which your application should not be sent.

All applications should be submitted within 14 days of the appearance of this advertisement.

MARKETING-TRADE FINANCE
Director & Senior Management
City

Our Client, a well established export finance and confirming house and part of a substantial multi-national finance and trade Group, requires executives of outstanding quality to manage and further develop a portfolio of clients in existing and new overseas markets.

Relevant proven experience in export finance, probably acquired in merchant banking or confirming, is essential. Extensive travel and customer contact will be necessary, and preference will be given to applicants with languages, particularly French.

The successful candidates, one of which will merit Board appointment, will be joining an experienced team running a dynamic company, and will be expected to make a major contribution to the continuing expansion and profitability of the company.

Salary and other large company benefits will match the calibre of those selected.

Replies containing comprehensive career details, and quoting reference C53/FT will be forwarded direct to our client. Covering letters addressed to the Security Manager listing companies to whom your application should not be passed will be intercepted and your instructions noted.

JWT Recruitment Ltd
Executive Recruitment & Selection
40 Berkeley Square London W1X 6AD 01-629 9496

SENIOR ACCOUNTANT
SOUTH-EAST ASIA

Immediate Vacancy—Period Approx. 9 months with Possible Extension

Salary (including allowances) to U.S.$40,000 p.a.

Qualifications: Formal qualifications in accountancy preferably including Cost Accounting. Minimum 15 years' experience since qualifying. Age 40-55 years.

Experience: Comprehensive accounting experience including experience as a Cost Accountant, preferably with some in the developing countries. Experience on the cost control of construction and maintenance equipment. Knowledge of computerised operations of accounting an advantage. Experience with P.W.D. of a developing country would be ideal.

Duties: As a member of a consulting team providing Advisory Services to a Highways Department, responsible for implementing accounting procedures for the control of expenditure on highway maintenance, in particular the operation, maintenance and repair of road maintenance equipment.

Location: The project office is located in a capital city, where good standard housing and school facilities are available.

Leave at rate of five weeks for each year of service. A car is provided.

The position is available for the appointee to take up his duties immediately.

Applications in strictest confidence to:

VLD

Vallentine Laurie & Davies
Consulting Engineers
Clifton House
83-89 Uxbridge Road
London W5 5TS

Operational Business Analysis

Central London **to £8,500**

Accurate operational reporting and financial analysis guarantees the success of this worldwide high technology organisation.

Your duties will include monitoring business performance for the service and distribution function against corporate plans and budgets, maintaining and developing sophisticated computerised reporting systems and assisting in the formulation of financial reviews/analyses for senior management.

Ideally a young numerate graduate, with 2-3 years industrial/commercial analytical experience, you should have an extrovert, determined personality, with a strong desire to succeed. This dynamic organisation offers excellent experience and superb career prospects.

Please telephone or write quoting Ref: RG 3674.

Lloyd Chapman Associates
123, New Bond Street, London W1Y 0HR 01-499 7761

Financial director
Hampshire, £15,000 + bonus

For the UK instrumentation division of a US based international group, supplying high technology products to the industrial, aerospace and defence markets.

Responsibility will be for the entire financial management and accounting functions, with initial emphasis on upgrading management information, and on cost control.

The requirement is for a qualified, commercially oriented accountant with a record of success in the development of computer based systems, preferably in a manufacturing environment.

Résumés including a daytime telephone number to E H Simpson, Executive Selection Division, Ref. SF659.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Shelley House Noble Street
London EC2V 7DQ

Administrative Manager

The London-based Commodity Sales Office of an international investment group requires a very experienced person, fully conversant with both commodity operations and trading, with an emphasis on U.S. markets. A minimum of 10 years' experience, including all operations functions such as cashiering, bookkeeping, wire and order procedures, combined with practical floor trading experience at the CBI or CME, and an understanding of U.S. regulatory bodies' procedures are essential. The successful candidate, educated to degree level, should also be registered with the NYSE (as branch office manager), the NASD (as principal), the CBI and the CFTC.

Salary circa £17,000 and usual fringe benefits.
If you have these qualifications we would like to hear from you.

Please write, enclosing curriculum vitae, in strictest confidence to:

Box A.7167, Financial Times
10 Cannon Street, EC4P 4BY

Lazard Brothers & Co., Limited
Corporate Finance Department

In 1979 Lazard Brothers' Corporate Finance Department was busier than ever before and had a record year. The Department is now seeking an experienced:

Investment Analyst

to join the comparatively small number of high quality people employed.

The successful candidate, in the age range 30–40 will originate and assist with investigations into individual companies and industries as required by the Directors of Lazards, and must be able to prepare reports on companies and industries up to publication standard.

Salary and benefits will be competitive and commensurate with experience and ability.

Applicants should write or telephone for an application form or submit a written c.v. in strict confidence to:

The Staff Manager,
Lazard Brothers & Co., Limited,
21, Moorfields, EC2P 2HT.
01-588 2721.

EARNSHAW, HAES & SONS
INSTITUTIONAL SALES

A vacancy exists for a person (25-40) on the institutional desk. Existing clients could be useful but not essential since our contacts are extensive.

Good prospects for the right person whose remuneration is open to negotiation.

Telephone 01-588 1879 or write in confidence with full career details to:

Institutional Partner
Earnshaw, Haes & Sons
17, Tokenhouse Yard, London EC2R 7LB

David Grove Associates
Bank Executive Recruitment
60 Cheapside London EC2V 6AX
Telephone 01-236 0640

TRAINEE LENDING OFFICER **£8,000+**

Our client is a leading City-based International Bank. This vacancy is a first-class opportunity for a credit analyst to work with an experienced lending officer with a view to promotion to full account officer status within the next 18 months.

Candidates should be graduates or hold a professional qualification and have good analytical experience, preferably with American bank training, and be aged in their mid-to-late twenties.

FOREIGN EXCHANGE DEALER **to £9000**

A leading International Bank seeks a young, experienced and ambitious dealer to join its expanding operation.
Candidates should be Italian speaking.

Due to further expansion

Nolton Money Brokers Ltd.

require

EXPERIENCED AND TRAINEE STERLING DEALERS

for their Local and Commercial Departments.

Telephone or write to:

A. J. ALLRIGHT,
64 Queen Street, London EC4R 1AD. 01-236 4688

APPOINTMENTS
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RATE £19.50
per single column centimetre

International Auditor

London-based with extensive overseas travel

Up to £12,000 – late twenties

If internal auditing sounds a bit of a drag, either from the career or the job-content point of view, our client can demonstrate that it really doesn't *have* to be that way.
A substantial American owned group, operating in a specialised, prestigious sector of the consumer durables market, wish to appoint a sharp, observant, literate young accountant, probably a graduate, certainly ACA or ACCA, with about three years' international accountancy experience in industry or, perhaps, direct from "the profession." The task is to review, evaluate and, where necessary, improve the design and application of financial and operating controls throughout the European division and possibly further afield – the "possibly" depends very much on you. In addition to wide-ranging professional skills you must be able to develop immediate mutual respect with top managers out in the field and, with your own career prospects in mind, to demonstrate a genuine and constructive interest in the overall management of the business. Please send sufficient details to make an application form unnecessary, including a telephone number where you can be discreetly contacted, to Malcolm Green.

Applications, which may be from male or female candidates, will be treated in complete confidence and should quote reference 0056/MCG.

BROOK STREET EXECUTIVE RESOURCES LIMITED

47 Davies Street, London W1Y 2LN. Telephone 01-499 7382

The Executive Selection Company of the BROOK STREET Employment Service Group

RECRUITMENT CONSULTANTS
CJA
35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374

BUILDING ANALYST

CJRA

CITY

COMPETITIVE REMUNERATION

A LEADING FIRM OF LONDON STOCKBROKERS

Our Client wishes to recruit an analyst to cover the building material and contracting sectors. A minimum of one year's analytical experience in these industries is required. The successful applicant will join a firm which has a wide spread of Stock Exchange business and is committed to maintaining its high reputation in research. Remuneration is extremely competitive and generous fringe benefits are available. Applications in strict confidence under reference BA12343/FT will be forwarded unopened to our Client, unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager:

CAMPBELL-JOHNSTON RECRUITMENT ADVERTISING LIMITED, 35 NEW BROAD STREET, LONDON EC2M 1NH.

LONDON CITY BROKER

URGENTLY REQUIRES
EXPERIENCED PEOPLE
(2-5 years)
who would be interested in joining them to handle local authority dealing business. *Further details:* Derrick Stubbs, Jonathan Wren & Co. Ltd. – 01-623 1266

ERI

Specialists in recruitment for the developing world

Accountants

Northern Nigeria — c £20,000 +

- One of the UK's principal 'blue chip' manufacturing groups has undertaken the construction and management of a major new plant (capital cost approx £100m) in conjunction with the Nigerian Government. This plant is situated in the vast savannah grasslands of Northern Nigeria which enjoys a healthy and invigorating climate.
- They are seeking to fill the following two key positions reporting to the Financial Controller (British).

Chief Accountant responsible for all accounting functions including treasury, and budgeting control. Ref: 6/FT/CA/N

Systems Accountant responsible for the development of MIS and a fully integrated financial costing system. Ref: 6/FT/SA/N

- Applicants ideally aged 28-34 must be qualified and should have relevant commercial/industrial experience, preferably overseas, be pragmatic in their approach and, above all, achievers.
- Both are married status posts and excellent fringe benefits include company housing, transport, medical services, assistance with UK school fees and one month's leave in the UK twice a year. On site there is a primary school and recreation facilities include squash and tennis courts, swimming pool and social club.

Please write quoting job reference and giving full details of age, qualifications, experience and current salary to Michael Berger FCA, Executive Resources International, Management Consultants, 87 Jermyn Street, London SW1Y 6JD.

Financial Analyst

Salary up to £12,000 p.a. plus car

An outstanding opportunity exists for a young financial analyst with 4 or 5 years relevant experience to join a small team at the Head Office of a leading British multinational. The work is basically corporate finance with the emphasis on the financial evaluation of acquisitions and divestments. The successful candidate will have an appropriate degree and/or an accounting qualification.

The initial salary offered is up to £12,000 p.a. depending on experience, with a company car and first class benefits. The post is based in the West Midlands and relocation assistance will be given where appropriate.

Please write, giving full but concise details of age, qualifications, career history and salary progression to date, stating the name of any organisation to whom your letter may not be sent, *to*:

T. G. West (Ref. 546), Managing Director,

Whites

Whites Recruitment Limited 72 Fleet Street, London EC4Y 1JS

Offices: Bristol, Glasgow, Leeds, London, Manchester and Wolverhampton

A superb opportunity in GENERAL MANAGEMENT

A substantial multi-national Group is searching for a business person of the highest calibre to manage a Division of a wholly owned subsidiary Company operating in the Transport and Distribution Industry (principally Container Transportation with other general and refrigerated Transport interests with Depots throughout the U.K.).

The prime requirement is for a person of all-round commercial ability with specific strengths to innovate, organise, control and establish and meet financial objectives and profit plans. These qualities, ideally, will have been drawn together through an appropriate mix of relevant experience and formal business training either of a general nature or in a specific discipline.

Reporting to the Company Chief Executive the post will carry adequate autonomy but there will be the requirement to work closely with other Divisional Heads in Vehicle Sales and Service, and Car and Commercial Vehicle Hire and Leasing.

The ideal age group is 35 to 45 but this is a secondary consideration.

Location—North West.

A significant remuneration package is available for negotiation.

Please send detailed C.V. in full confidence (stating which Companies' application forms should not be sent to) to *Box A.7165, Financial Times, 10 Cannon Street, EC4P 4BY.*

Group Chief Accountant

c. £14,000 + car — West of London

This post involves responsibility for the central accounting functions of a £200 million British group with diversified manufacturing interests. Financial, management and project accounting, tax, treasurership and group consolidation all fall within the scope of the job, which reports to the Group Finance Director. Although this is a senior management role in its own right, it is also seen as a career development opportunity for a young, able and ambitious Chartered Accountant, who will rapidly gain experience in this substantial and well-known group.

Career prospects will extend throughout the group.
Applicants are welcomed either from the profession or from an industrial background.

Ref: D6021/FT

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

A member of PA International

Chief accountant

Jeddah, c£20,000 + benefits

C&L

For a well established group employing predominantly expatriate management, and engaged in importing and distributing over 100,000 private and commercial vehicles per year.

Responsibility will be for the co-ordination of all aspects of financial and management accounting in the retail division, and the post will require energy, resourcefulness and an ability to motivate staff.

Salary will be at the approximate Rials equivalent of £20,000, including a discretionary bonus. Benefits include furnished accommodation, car, education allowances, and 30 days' home leave per year.

Résumés including a daytime telephone number to E H Simpson, Executive Selection Division, Ref. SF661.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Shelley House Noble Street
London EC2V 7DQ

INTERNATIONAL BOND PORTFOLIO

The Company: A Knightsbridge based investment advisory service covering an exceptionally broad range of international investment media.

The Position: Soon leading to direct responsibility for a large multi-currency band and money market portfolio, within a team offering co-operation and cross-fertilisation of ideas with a team of innovative and internationally orientated investment advisers.

The Applicant: Preferably under 30, should be motivated, mathemtatically minded and show a high degree of personal initiative. Some City and computer programing experience, though desirable, is not essential. The position could be filled by a recent graduate.

Working environment, salary and fringe benefits are unusually attractive.

Please write in confidence, enclosing a hand-written curriculum vitae to:

The General Manager, ITIB Services Limited
2 Albert Gate, London, SW1

INTERNATIONAL & MERCHANT BANKING

JUNIOR F.X. DEALER

Age 21-24 — £ neg.
Well established and expanding International Bank seeks mature, personable young banker with minimum 12 months' actual dealing experience within active environment. Excellent career prospects for ambitious person. Fringe benefits include mortgage facility.
Contact Mark Stevens

EUROBOND SETTS.

Age 23-26 — £ neg.
Merchant Banking arm of major International Bank requires industrious, ambitious young person with min. 2 years' experience of bond settlements via Euroclear and Cedel, to join newly formed department. This position carries an excellent benefits package which includes sub. mortgage facility
Contact Trevor Williams

CREDIT MANAGER

30-40 — c. £10,500
Expanding London office of International Bank seeks able ambitious person with proven track record in Credit Administration to co-ordinate the processing and submission of lending propositions originating from UK branch offices. Successful Candidate will manage small support team and liaise with senior management. Attractive benefits package includes sub. mortgage. *Contact Mark Stevens.*

F.X. SETTLEMENTS

Age 21-24 — £5,000-£8,500
If you're bright, ambitious and you have at least 18 months' foreign exchange settlements experience we have several International Banking clients who would be delighted to meet you. Salaries for good clerical experience start around £5,300 but we are also looking for two potential supervisors in the range £6,000-£8,500. Excellent benefits including mortgage facility, LVs, etc. *Contact Miriam Chance.*

If your present job in banking does not seem to be developing along the right lines and you feel in need of sound, objective advice on current opportunities in the City ring Banking Personnel now for an informal chat with one of our Consultants.

BANKING PERSONNEL
41/42 London Wall · London EC2 · Telephone: 01-588 0781
(RECRUITMENT CONSULTANTS)

QUALIFIED ACCOUNTANT

AGED 25-30

West End London — To £9,500

First class opportunity in a small and highly regarded trading group. The successful applicant must have experience of finance and administrative control as well as budgets, cash flow and credit control. The knowledge of Company Secretarial work would be useful.

This is an ideal opening for a young and ambitious person in a fast expanding organisation.

Please write initially, in confidence, to Dexter, Brent & Paterson Limited, 6 Dorset Street, London W1H 3FE.

BUSINESS DEVELOPMENT EXECUTIVE

We are the London branch of an expanding U.S. regional bank seeking a business development executive to work primarily in the U.K. Duties may also include assisting with the bank's corporate lending activities on the Continent.
Suitable applicants will probably be graduates, aged mid-twenties to early-thirties, with formal credit analysis training and at least two years' experience as a loan officer. Proficiency in German will be an added advantage.
Remuneration package will be fully commensurate with qualifications and experience.

Reply in confidence to Box A.7149, Financial Times, 10 Cannon Street, EC4P 4BY.

GOLD MINING ANALYST

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Traders cautious on sugar

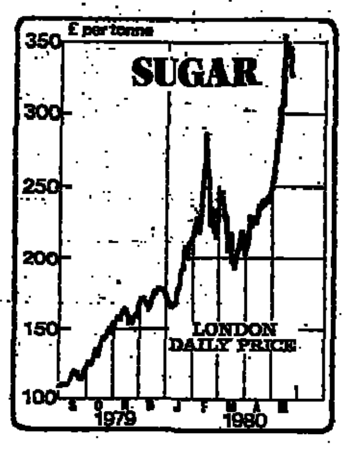
BY OUR COMMODITIES EDITOR

NO EXPORTS of sugar were authorised by the EEC Commission at its weekly selling tender yesterday. Traders took a cautious line in view of the volatility in the world sugar market, with prices suffering a sharp setback after the recent upsurge to the highest level for over five years.

The London daily sugar price was cut by £10 to £225 a tonne yesterday. On the futures market the August position closed £8.60 lower at £341.45 a tonne, after reaching a high of £351.50

Also discouarging traders from bidding for EEC exports was the decision of the Commission to impose export taxes for the second week in succession. It set a minimum export tax of 5.160 European currency units per 100 kilos on white (refined) sugar and 7.12 units on raw sugar.

However it was pointed out that the EEC surplus stock of sugar has been reduced to below 400,000 tonnes by the large sales contracted recently by enterprising traders taking advantage of the fixed export tax which was at a much lower rate than the weekly rate. Indeed a large quantity involved no export tax at all.



The market outlook remains fundamentally strong, with poor crops and good buying demand having reduced surplus world stocks to a low level. But it is felt that the recent price explosion may have been overdone and some speculators are now taking their profits.

Yesterday's dowoturn in London values was also encouraged by the strength of the pound against the dollar. This was an important influence in most of the commodity and metal markets.

State role in U.S. futures trade urged

By David Lascelles in New York

MR. PAUL VOLCKER, chairman of the Federal Reserve Board, said yesterday that he thinks the Government should play a bigger role in setting margins for futures trading in the U.S.

His testimony to a House agricultural sub-committee follows the recent turmoil in the silver markets and the much-publicised margin problems of the Hunt Oil family.

Mr. Volcker did not make any specific recommendations, but he said that some form of direct Government participation in margin setting could help remedy what he described as the current "laxity" in margin practices.

At the moment, margins are set by the exchanges who jealously guard their self-regulating rights. However, there is a strong feeling in Washington that the exchanges could have prevented the silver crisis by acting more decisively on margins. Legislation is already being drafted in Congress to bring margins under federal control.

However, the exchanges are expected to oppose bitterly any government involvement in margins.

Deputy Treasury Secretary Robert Carswell said the Carter Administration is concerned that recent speculation in commodities and commodity futures has fuelled inflation and inflationary expectations, reports Reuter.

● Testimony by the Hunt Brothers before a House Agriculture Sub-committee has been put off to May 29.

The Hunts had been scheduled to appear this Thursday to discuss their dealings in the silver futures market.

Market gloom as cocoa prices slip

BY JOHN EDWARDS, COMMODITIES EDITOR

COCOA PRICES fell to a four-year low on the London futures market yesterday, in spite of a brief rally in the afternoon. The May and July positions dropped below £1,100 for the first time and at the close the July position was £14.50 down at 1,099.50 a tonne.

Dealers said the outlook remained gloomy for producers, who were reported to be selling again. Demand is at a low ebb and is thought unlikely to pick up in view of the worsening economic situation in the West and the cost of carrying stocks.

The absence of a clear statement of intent from the Cocoa Producers Alliance meeting in Salvador indicated that producing countries were still unable to agree amongst themselves dealers said.

Producers have reportedly agreed that some form of price support mechanism is necessary, and may well support the Brazilian proposal of a buffer stock operation similar to the Bogota Fund for coffee. But it is thought unlikely tha this will work for cocoa because producers have large amounts of cocoa to sell on an unreceptive market.

There are also doubts about the Brazilian plan to process up to 80,000 tonnes of surplus Ivory Coast cocoa. Market traders pointed out that in effect this would merely create a product "mountain" while marginally reducing the surplus of beans.

But positive proposals from the Salvador meeting could provide a fillip for prices, if only because the market is due for a technical reaction after so many days of declining prices.

● Natural rubber fell heavily to a 17-month low yesterday following sharp declines in the Malaysian and Singapore markets overnight. Good covering of previous sales helped the market rally, however, and the R.S.S. No. 1 spot quotation climbed back to close unchanged at 56.5p a kilo, after declining to 55.5p in the morning.

Dealers remain pessimistic about the future trend in prices. It is felt that the lack of demand could push the market even lower once the present technical reaction is completed.

BANANAS

Growers and importers work together

BY BRIJ KHINDARIA IN GENEVA

SIGNIFICANT and long-lasting co-operation is emerging for the first time between banana producing and consuming countries although developments so far fall short of a binding price stabilisation agreement being sought by exporters.

Banana consumers and producers agreed at talks here that a far-reaching programme of research and development should be prepared and separate studies should be made concerning other areas of possible international action

The 41-country meeting at the United Nations Conference on Trade and Development (UNCTAD) last month adopted a plan that could lead to joint actions in market promotion, and measures to increase consumption and to cut production costs.

World trade in bananas is characterised by excess production, downward pressure on prices and stagnation in the real incomes of producers. The near balance between supply and demand for bananas which occurred during the mid-1970s was upset during the second half of 1978 when excess supplies and exports began to push down world banana prices.

Supplies continued abundant into the last quarter of 1979. But large increases in imports by the U.S., Japan and West Germany helped to absorb some of the excess.

Prices held firm in the U.S. and Japan but fell slightly in West Germany. Hurricane David and associated tropical storms caused heavy damage to banana plantations in the Caribbean in August 1979, reportedly destroying up to 300,000 tonnes of the fruit.

The full impact of the hurricane on supplies began to be felt in the spring of this year but no drastic shortage occurred because of large reserves in Latin America. The longer term impact of Hurricane David is not expected to be as severe as that of Hurricane Fifi which devastated the Central American plantations in 1974, bringing a balance in supply and demand on world markets that lasted for the next three years.

The Food and Agriculture Organisation (FAO) estimates that world trade in bananas increased by 6.5 per cent to 7.3m tonnes in 1978, the latest complete figures available. Rising production and export levels brought drops in prices which encouraged consumption in industrialised countries.

The main banana exporting countries of Central and Latin America and the Caribbean have begun important research and development programmes to improve output, cut production costs, win new banana markets, and find new uses for bananas, including animal feed.

Much of the credit for making bananas a significant internationally traded commodity goes to the mainly American transnational companies which have dominated banana production, export and marketing for decades.

As the developing countries producing bananas became independent and sovereign states they tried to loosen the grip of transnationals on the banana trade and turned to United Nations system for help.

An intergovernmental group on bananas was created within the FAO in 1965 comprising 50 producing and consuming countries, accounting for 95 per cent of the world banana trade.

In 1974, the key banana exporting nations — Colombia, Costa Rica, Dominican Republic, Guatemala, Honduras, Nicaragua and Panama—joined in the Union of Banana Exporting Countries (UPEB). These countries accounted for about 47 per cent of total world banana exports in 1978.

A working party was created within the FAO in 1975—comprising the main exporters as well as key importers such as France, Britain, U.S., Japan and West Germany—to prepare an international banana agreement to stabilise world prices and regulate the banana market.

In spite of pressure from exporters, the importers have so far resisted attempts to create a price stabilisation accord but have said they will support international efforts to help producers to boost research and development, improve quality, and find new markets. They oppose controls on production and exports as means of reducing excess supply.

Rainfall effect short-lived on grain prices and crops

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

THE RECENT rain caused an instant depression in grain prices but this is likely to be shortlived, as the rainfall was apparently very scattered, with up to an inch in some areas but only a sprinkling elsewhere, particularly in the east.

The effect of this on crops would be marginal except in those places where there was a heavy storm. Autumn-sown crops would benefit most from almost any moisture while some of the spring sown crops would need a great deal more to stage a good recovery.

Now that the anti-cyclone is returning, the weather prospects over the weekend look like benefiting the holiday-makers rather more than the farmers.

The barley trade had been doing better recently, because the drought had been cutting grass supplies. Compounders would be expecting to sell feeds to farmers who were getting very short of grass and having to feed off pastures which had been laid up for silage or hay.

This firming of the market could have been restricting offers of barley to the Intervention Board, which so far in May have reached 9,920 tonnes, but of which fewer than 2,000 tonnes have been actually accepted. Traders can offer barley to the Board until the end of May to take advantage of the May price which then falls by £10 per tonne for June and July.

Some 8,600 tonnes of bread wheat have also been offered to the Board during the month at the May price of £108.24 per tonne. This price is attractive as apparently there is no protein standard. On the other hand, there is a breadmaking test, costing £50, which many traders are fighting shy of.

U.S. futures ban goes to appeal

BANQUE Populaire Suisse has appealed to the U.S. Commodity Futures Trading Commission against an order prohibiting it from trading on U.S. commodity futures exchanges.

The bank will be able to continue trading in the U.S., until the four-member commission makes a decision.

The commission says the bank held or controlled long positions in the December 1979 and March 1980 silver futures on the Commodity Exchange in New York which exceeded reportable levels.

Beetle 'plague' fear

BY RICHARD MOONEY

THE COLORADO beetle outbreak in Britain over the past week dramatically illustrates the Government's "sheer stupidity" in agreeing to new Common Market plant import regulations, Mr. Christopher Harrisson, chairman of the National Farmers' Union's potato committee, said yesterday.

The new regulations, which came into force on May 1, put the onus of inspection on the exporting country and forced Britain to allow Continental potatoes into the country earlier in the season.

This week's batch of beetles, which grew to 58 with the discovery of three more yesterday, nearly all came from a consignment of Italian pre-packed spinach and would probably have escaped detection under the old system. But their arrival proves that the methods enforced by the EEC are not foolproof.

The risk of Britain becoming infested is greater now that potato imports from EEC countries where the beetles are endemic, such as France cannot be banned at critical times of the year,

The Ministry of Agriculture pointed out, however, that British inspectors can still examine vegtable shipments on arrival and imports from areas with identifiable risks can still be banned.

● Falling potato prices because of increasing supplies have led the Potato Marketing Board to introduce an independent buying programme.

The programme is being introduced to restore producers' confidence by putting sound potatoes into store, the PMB said. The Board will pay between £40 and £55 a tonne for the potatoes depending on grade. Sellers will be able to buy them back later if they wish.

Minister praises milk standards

BY OUR COMMODITIES STAFF

MR. PETER WALKER, Britain's Agriculture Minister, told a House of Commons committee yesterday that the country's health and hygiene regulations on milk were not just a "ploy" to keep out Continental imports.

"The regulations are genuinely important," he said, "it is very important to maintain health standards for milk, which is distributed and consumed so widely in this country."

The Minister accepted that ultra-heat treatment (UHT)—the sterilisation system used in the rest of the EEC—was effective against dangerous germs, but he was not convinced that treatment of milk was controlled as effectively on the Continent as in Britain

"We are not there to see that the job is done properly," he told the Commons Agriculture Committee.

"We have experience of UHT milk which has come into Britain watered down and some contained other elements that I won't describe to the committee before lunch," Mr. Walker said.

He said Britain would accept a Community regulation on the same line as Britain's and added that he was confident when other countries adopted the same high standards they would not be able to undercut British prices. "We might even find ourselves with export opportunities for liquid milk," he said.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Barely changed on balance on the London Metal Exchange. Forward metal opened at £907 but dipped to £905 on the morning rings following the sharp rise in sterling against the dollar. Comex opened as expected and then moved ahead, taking London up to £912 at one point. However prices failed to sustain this level and forward metal fell away to close the late Kerb at £904. Turnover: 17,750 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	877-8	—7	883-4	+1
3 months	905-7	—3.7	908-9	+0.75
Settlem't	878	—7	—	......
Cathodes				
Cash	......	......	861-3	—.5
3 months	860-2	—2.5	887-9	+1
Settlem't	886-7	—3	—	......
U.S. Prod	864	—2	*90-96.25	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £881, 78, three months £909, 08, 7, 7.5, 8, 9, 8.5, 8, 7, 6. Cathodes, cash £880, three months £888. Kerb: Wirebars, three months £908, 5, 6, 7. Afternoon: Wirebars, three months £909, 10, 9, 8, 8.5. Kerb: Wirebars, three months £906, 5, 6, 7, 6, 5, 4.

TIN—Easier following the strength of sterling. The rise at Penang saw forward metal move up to £7,440 on the pre-market but thereafter currency considerations pared the price to £7,370 on the late Kerb. Turnover: 915 tonnes.

Morning: Standard, cash £7,445, three months £7,440, 20. High Grade, cash £7,440. Kerb: Standard, three months £7,410. Afternoon: Standard, three months £7,400, 7,390, 80, 70, 75, 70. Kerb: Standard, three months £7,380, 75, 80.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7440-50	+30	7365-80	—87.5
3 months	7430-50	+29	7380-400	—88
Settlem't	7450	+50	—	......
Standard				
Cash	7440-50	+58	7365-80	—80
3 months	7415-20	+15	7375-80	—47.5
Settlem't	7450	+58	—	......
Straits E.	$2200	+28	—	......
NewYork	—	......	......	......

LEAD—Lower as the rise in sterling prompted U.S. and hedge selling. Three months metal opened around £350 and rose to £355 before coming under pressure in the Rings. The price declined throughout the day, with the U.S. selling most evident on the late Kerb when forward metal dropped to close at £343. Turnover: 7,550 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	333-4	—15.5	341-3	—5
3 months	349-50	—9	348-9	—5.5
S'ment	334	—16	—	......
U.S. Spot	—	......	*36-40	......

Morning: Cash £348, 44, three months £356, 54, 53, 54, 53, 52, 51, 50, 49. Kerb: Cash £344, three months £349. Afternoon: Early-June £345, three months £349.5, 50, 49.5, 49. Kerb: Three months £346, 45, 44, 43.

ZINC—Marginally firmer following trade hedge buying. Forward metal opened around the £315 level and edged up to £319 before easing to close the late Kerb at £317. Turnover: 3,450 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	305-7	+1	305.5-6.5	+1
3 months	316.5-7	+1.25	315-.5	+1.5
S'ment	307	+1.5	—	......
Primw'ts	—	......	*37.5	......

Morning: Three months £314, 16, 17, 18, 19, 20, 19, 18, 17.5. Kerb: Three months £316. Afternoon: Cash £306, three months £317, 16. Kerb: Three months £317, 16.

ALUMINIUM—Lost ground as the firmnes of sterling against the dollar depressed the market and touched off chartist selling around the £750 level. Three months opened at £765.5 but gradually fell away to touch the day's low of £744.5 on the afternoon Kerb. Turnover: 7,125 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	†+ or —
	£	£	£	£
Spot	758-4	—29	749-51	—28
3 months	747-8	—26	748-9	—19.5

Morning: Three months £760, 58, 57, 55, 52, 50, 49, 47, 48, 46, 47. Kerb: Three months £742, 45, 46, 47, 48, 50. Afternoon: Three months £750, 49, 48, 47 48, 49, 50, 49, 48. Kerb: Three months £745, 44, 46.

NICKEL—Easier owing to the rise in sterling with forward metal finally quoted at £2,705 on the afternoon Kerb, after touching £2,715 during the morning Rings. Turnover: 516 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
Spot	2615-20	......	2590-630	—57.5
3 months	2710-20	—2.5	2690-700	—32.5

Morning: Three months £2,710, 15, 10. Afternoon: Three months £2,700, 10, 05, 2,700.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

CORAL INDEX: Close 430-435 (—1)

SILVER

Silver was fixed 6.8p an ounce lower for spot delivery in the London bullion market yesterday at £5.175. U.S. equivalents of the fixing levels were: spot $12.001, down 1c; three-month $12.257, down 1.6c; six-month $12.547, down 9.4c; and 12-month $13.337, down 17.9c. The metal opened at £5.10-5.30 ($11.75-12.15) and closed at £5.00-5.20 ($11.70-12.10).

[illegible]

COCOA

[illegible]

COFFEE

[illegible] of a featureless day before drifting lower following further steadiness in sterling against the dollar.

COFFEE	yesterday's Close (£ per tonne)	+ or —	Business Done
May	1670-1674	—19.5	1681-1674
July	1717-18	—23.0	1736-13
Sept	1766-68	—23.5	1787-1766
Nov	1787-90	—18.0	1802-85
January	1795-98	—12.5	1806-01
March	1751-60	—8.0	—
May	1720-60	—21.0	—

Sales: 3,109 (3,087) lots of 5 tonnes.

ICS Indicator prices for May 20 (U.S. cents per pound): Other Mild Arabicas 193.00 (193.25); Robustas ICA 1976 176.50 (176.75). ICA 1968 176.75 (177.00). Unwashed Arabicas 216.00 (same). Comp. daily ICO 1968 197.00 (197.29).

GRAINS

LONDON GRAIN FUTURES—Old crops opened unchanged but good buying interest recovered values to close £1.05 upon wheat and 70p up on barley. New crops opened 5p-15p higher. values remained steady to close 25p-40p higher on wheat and 25p-35p higher on barley, reports Acli.

Mnth	WHEAT Yesterday close	+ or —	BARLEY Yesterday close	+ or —
May	100.05	+1.05	92.00	+0.70
Sept	94.30	+0.40	91.90	+0.30
Nov	98.10	+0.40	95.80	+0.35
Jan	102.00	+0.55	99.65	+0.25
Mar	105.15	+0.25	103.00	+0.35

Business done—Wheat: May 100.05-99.25, Sept. 94.40-94.15, Nov. 98.25-98.05, Jan. 102.00-101.80, March 105.30-105.10. Sales: 147 lots of 100 tonnes. Barley: May 92.00-91.70, Sept. 92.00-91.25, Nov. 95.80-95.65, Jan. 99.85-99.80, March 103.00-103.00. Sales: 90 lots of 100 tonnes.

IMPORTED — Wheat: U.S. Dark Northern Spring No. 2 14 per cent May-June 97.25, July 98.25, Aug. 99.50 transhipment East Coast. Maize: U.S./French May 117, June 118 transhipment East Coast; South African Yellow May-June 80.00. Barley: English Feed for May-June 99.50 East Coast. Rest unquoted.

HGCA — Locational ex-farm spot prices. Other milling wheat: Eastern 103.00; E. Midlands 100.00; N. East 100.00. Feed barley: Eastern 94.90; E. Midlands 92.50; N. East 92.80; Scotland 91.30.

RUBBER

The London physical market opened easier, with good covering orders at lower levels, closing slightly steadier. Lewis and Peat reported a Malaysian godown price of 273 (284) cents kg (buyer, June).

[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible]

WOOL FUTURES

[illegible]

COTTON

[illegible]

MEAT/VEGETABLES

[illegible]

PRICE CHANGES

In tonnes unless otherwise stated.

[illegible]

AMERICAN MARKETS

NEW YORK, May 21

PRECIOUS METALS retreated on reports that Britain and other Allies favour less stringent sanctions against Iran and on earlier selling. The uncertainty of an impending copper strike in the U.S. is providing support in the market at higher levels. Sugar rallied from the lows on Mexican tenders but finished lower. Cotton rallied after it failed to penetrate critica support levels. Cofffee was mixed and cocoa moderately higher on light volue and light trade interest. Livestock markets were mixed following a bullish cod storage report. Maize and wheat sod off at the close. Soyabeans were fractionally higher, reported Heinold.

Potatoes (round whites) — Nov. 69.6-69.8 (69.5), Mch. 79.5 (79.5), Apl. 86.0-87.0.

Sugar — No. 11: Jly. 31.60-31.80 (30.99), Sep. 32.90-33.00 (33.69), Oct. 33.50-33.00, Jan. 34.45, Mch. 34.50-34.60, May 34.30, Jly. 34.00, Sep. 33.70, Oct. 34.45-33.50. Sales: 19,282.

Tin—789.00-796.00 asked (780.00-785.00).

CHICAGO, May 21

Lard—Chicago loose 18.00 (same). New York prime steam unavailable.

¶ Chicago Imm Gold — May 506.5 (509.0), Jne. 506.0-508.0 (511.2), Jly. 512.5, Sep. 519.0-521.0, Oct. 525.0, Dec. 533.0, Jan —, Mch. 547.0-540.0.

Live Cattle—Jne. 64.00-63.90 (63.50), Aug. 63.95-64.10 (63.85), Oct. 62.75-62.99, Dec. 63.85-64.00, Jan. 64.60, Feb. 64.90-64.80, Apl. 65.30.

Live Hogs—June 33.60-33.50 (33.05), July 34.90-34.80 (34.75), Aug. 34.55-34.40, Oct. 35.80-35.70, Dec. 38.85-39.02, Feb. 42.22, April 41.70, June 44.30, July 44.30.

‡‡Maize—July 279-278¾ (279¾), Sept. 289¾-289¼ (290), Dec. 297¼-296¾, March 309¼-309, May 316¼, July 322.

Pork Bellies—May 32.00-32.20 (31.60), July 32.60-32.70 (32.15), Aug. 32.40-32.30, Feb. 46.80-46.67, March 46.90, May 47.60, July 49.00, Aug. 47.50.

Silver—May 1,125.0 (1,172.0), June 1,135.0 (1,175.0), July 1,141.0, Aug. 1,157.0, Oct. 1,180.0, Dec. 1,205.0, Feb. 1,230.0, April 1,255.0, June 1,280.0, Aug. 1,305.0, Oct. 1,330.0, Dec. 1,355.0, Feb. 1,380.0, April 1,405.0, June 1,430.0, Aug. 1,455.0, Oct. 1,481.0.

†Soyabeans—July 626-625 (624¼), Aug. 634 (632½), Sept. 642½, Nov. 656½-657, Jan. 672, March 687, May 700, July 109½.

‖Soyabean Meal—July 172.4-172.2 (173.3), Aug. 175.0-174.8 (175.8), Sept. 177.7, Oct. 180.4, Dec. 184.7-184.8, Jan. 187.0-187.1, March 191.0-191.2, May 194.0-194.5, July 196.5-197.5, Aug. —.

Soyabean Oil—July 21.80-21.76 (21.21), Augf. 22.00-22.05 (21.42), Sept. 22.20-22.25, Oct. 22.45, Dec. 22.80-22.85, Jan. 22.95, March 23.25, May 23.50-23.60, July 3.75, Aug. —.

†Wheat—July 416-418 (419¾), Sept. 430½-431 (433½), Dec. 450-449, March 465, May —, July 468.

WINNIPEG, May 21. §Barley—May 127.00 (130.00), July 127.00 (131.50), Oct. 124.50, Dec. 124.30, March 124.30.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen.

EUROPEAN MARKETS

ROTTERDAM, May 21

Wheat—U.S. No. Two Red Winter, June $188, July $187, Aug. $188, Sept. $190. U.S. No. Two Northern Spring, 14 per cent, May $203, June $201.50, July $201.50, Aug. $202.50, Sept. $206.50. Rest unquoted.

Maize—April $139, May $139, June $138.50, July $139.50, Aug. $142, Sept. $144, Oct./Dec. $147.50, Jan./March $155.75.

Barley—May $138, June $139.

Soyabeans—U.S. Two Yellow Gulfports, afloat $263.50, June $261.75, July $260.75, Aug. $263.50, Sept. $268, Oct. $269.25, Nov. $269.25, Dec. $274.75, Jan. $279.25, Feb. $284.50, March $286.75 sellers. Argentine May $256, June $256, July $256.75, Aug. $260 sellers.

Soyameal—44 per cent protein, U.S. afloat $225, May $224, June $224, July $224.50, July/Sept. $226, Nov./March $241. Brazil Pellets afloat $227, June $227.50, July $228, Aug. $230, Sept. $234, Nov./March $249.

PARIS, May 21

Cocoa (FFr per 100 kilos). May 1015-1080, July 1080, Sept. 1080-1100, Dec. 1106-1114, March 1120, May 1130. Sales at call nil.

Sugar—(FFr per 100 kilos). July 3180-3200, Aug. 3200-3203, Oct. 3305-3310, Nov. 3290, Dec. 3389-3400, March 3440-3500, May 3490-3560, July 3500. Sales at call 5.

INDICES

FINANCIAL TIMES

May 20	May 19	M'nth ago	Year ago
270.40	271.29	279.36	278.35

(Base: July 1, 1952=100)

DOW JONES

Dow Jones	May 20	May 19	Month ago	Year ago
Spot	426.47	436.84	416.97	392.00
F'tur's	437.25	442.86	422.37	398.43

(Average 1924-25-26=100)

MOODY'S

May 20	May 19	M'nth ago	Year ago
1106.4	1119.2	1117.5	1061.1

(December 31, 1931=100)

REUTERS

May 21	May 20	M'nth ago	Year ago
1708.7	1718.9	1685.4	1582.8

(Base: September 18, 1931=100)

Farmers back competition Bills

WASHINGTON — Spokesmen for the U.S. National Farmers Union and several consumer groups said they support two Bills introduced by Congressman Neal Smith to preserve domestic meat industry competition.

Under the legislation, no packer would be able to slaughter more than 25 per cent of the national production of steers and heifers, cows and bulls, and hogs. No packer would be allowed to control more than 25 per cent of the boxed beef or centrally cut beef market.

The Bills would also prohibit the largest meat-industry companies from opening retail outlets and prevent packers from speculating in livestock futures contracts or selling below cost to undercut smaller companies.

Mr. M. Woodrow Wilson, the NFU's director of legislative research, told a House of Representatives small business subcommittee hearing that the Bills would help remedy problems caused by concentration in the meat industry.

Mr. Smith, chairman of the House small business committee, pointed out that no packer now slaughters more than 25 per cent of production. The Bills would prevent future concentration.

Sterling's strength attracts foreign and local support for Government securities but equities trend easier

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
May 12	May 22	May 30	June 9
June 2	June 12	June 13	June 23
June 16	June 26	June 27	July 7

* "New time" dealings may take place from 9 am two business days earlier.

Foreign investment funds attracted by the strong pound yesterday generated domestic buying of Government stocks which improved gradually to close very soundly in contrast with a slightly easier trend for the bulk of equities. Overseas interest initially centred on short-dated Gilt-edged securities but, on the back of the rise in sterling, demand also developed for longer-dated issues. Domestic investors eventually cast off recent worries about inflation and UK economic trends and also entered as buyers with the result that Gilts established gains stretching to ½ at both ends of the market.

Leading shares, steady enough at the outset, tended to drift lower in the continuing absence of any worthwhile business. During the morning session, however, several sizeable lines of good-class shares were successfully placed and, later in the day, a large number of **Trafalgar House** shares changed hands. A big selling order of **Thorn EMI** which had been overhanging the market earlier in the week is thought to have been completed, but this could not be confirmed.

The realisation that sizeable funds were available for investment eventually tempted a few general buyers, and the tone improved despite the adverse effects of a dearer pound on UK export prospects. In the after-hours' trade, however, prices turned a shade easier again and the FT 30-share index closed 2.0 down on the day at 431.6.

Demand for Traded options improved slightly, a total of 538 deals being completed. **Courtaulds**, annual results next week, attracted 125 trades, while **Imperial** were also active and recorded 113 trades.

Vehicle communications company **Air Call** staged a successful market debut despite trading volume being reduced by allotment delays caused by the Day of Action. The shares, dealt under special rule, opened at a 23p premium on the placing price of 150p and touched 186p before settling at 178p.

First-time dealings in **Peerless**, the diversified industrial concern, were rather more subdued; from an opening level of 109p, the shares moved to 111p before a bout of stag selling left the close at 104p for a premium of only 4 on the offer price of 100p.

Discounts better

Discount Houses came in for some useful support yesterday and closed with improvements ranging to 15, with sentiment helped to some extent by the firmness of gilts. **Union** rose 15 to 430p and **Allen Harvey and Ross** gained 10 to 360p, while **Cater Ryder** put on 7 to 345p and **Gerrard and National** firmed 6 to 244p. **Alexanders** improved 5 to 240p. Merchant banks encountered selective support. **Hambros** appreciated 5 to 377p and **Kleinwort Benson** 4 to 148p. Elsewhere, **Allied Irish** softened a couple of pence to 98p following the results.

Following a reappraisal of the preliminary results and the chairman's accompanying warning that the company could be in for another flat year, **C. E. Heath** encountered sporadic offerings after an early mark-down and the close was 12 lower at 196p. Other Lloyds brokers generally gave ground in sympathy, with **Minet** 3 off at 98p and **Hogg Robinson**, 101p, and **Sedgwick Forbes**, 103p, down 2 apiece. **Stenhouse**, however, displayed resilience and closed a penny better at 75p, after 76p, following the satisfactory interim statement.

A shade harder before the announcement, **Whitbread** closed a net penny off at 151p on preliminary results much in line with general expectations. Other Brewers due to report soon also tended easier. **Arthur Guinness**, interim June 13, eased the turn to 92p, while **Bass**, 226p, and **Greenall Whitley**, 185p, both with mid-term results next week, shed 3 and 2 respectively.

Activity in the Building sector was mostly confined to selected Timber issues. **Mallinson-Denny**, a volatile market of late on bid rumours, dipped to 65p before the appearance of fresh support at the lower level saw the price revert to 70p, unchanged. **Montague L. Meyer**, another bid hopeful, reacted to 92p before settling at 95p for a net fall of 2. Elsewhere, **London Brick** shed 2½ to 73½p following the chairman's gloomy remarks at the annual general meeting, but **Burnett and Hallamshire** firmed 10 to 610p, after 615p, following favourable Press comment.

ICI held at 374p awaiting today's first-quarter figures, but **Fisons** dropped 17 to 267p on consideration of the chairman's statement at last Tuesday's annual general meeting.

Home Charm flat again

Leading Stores drifted easier in a quiet business. **Debenhams** lost the turn to 66p ahead of today's annual results. **Mothercare** fell 4 to 232p, while **GUS "A,"** 392p, **Burton**, 112p, and **British Home**, 280p, all gave up 2. With the exception of **Polly Peck**, 6 up at 47p on revived speculative buying, secondary counters trended to lower levels. **Home Charm** remained depressed by the chairman's profit warning and dipped 8 more to 102p. **Harris Queensway** gave up 4 to 164p. Recently firm **W. H. Smith** encountered profit-taking and closed 5 easier at 135p, while support was also lacking for **Lee Cooper**, 232p, and **Owen Owen**, 124p, down 16 and 6 respectively.

Thorn EMI, a dull market on Tuesday following reports of a large line of shares overhanging the market, eased afresh to 274p before picking up to close only 2 lower on the day at 276p. Elsewhere in the Electrical sector, **Fidelity Radio**, still reflecting nervousness in front of today's preliminary figures, opened lower at 40p, but rallied to finish 2 cheaper on the day at 43p. **Electrocomponents** came on offer and fell 7 to 530p, but scattered support lifted **Dubilier** 2 to a new peak for the year of 49p.

GKN, down 7 at 257p, were not helped by the strength of sterling. Other leading Engineers also trended lower, but losses were usually limited to a few pence. Elsewhere, **Redman Heenan** dipped 7 to 59p following lower interim profits and the statement on second-half trading prospects, but **Chemring** contrasted with a rise of 6 to 140p in response to the increased interim dividend and profits. A revival of speculative demand left **Anderson Strathclyde** 6½ to the good at 73p, after 75p. On the other hand, **Stone-Platt** were dull at 29p, down 3.

In Foods, **British Sugar** shed 2 to 206p, while bidders **S. and W. Berisford** eased 3 to 137p. Elsewhere, fresh speculative support was forthcoming for **Robertson** which put on 5 to 127p, but **P. Panto** encountered further offerings ahead of next Tuesday's annual results and gave up 2 to a 1980 low of 14p.

Bridon fall

Press comment pointing out the benefits of the Liggett acquisition left **Grand Metropolitan** a penny harder at 126p, after 127p. **Ladbroke**, at 161p, gave up 4 of the previous day's gain of 9 that followed the company's decision to discontinue its interest in the casino industry. **Old Swan (Harrowgate)** gained 10 to 45p on news that Queens Moat Houses had acquired a near-15 per cent stake in the company from **Prince of Wales Hotels**, 3 firmer at 77p.

Bridon became a prominent dull feature in miscellaneous industrials, falling 7 to 59p following the chairman's warning at the AGM that results for the first half of the current year will not be encouraging. **PMA** came on offer and lost 4 to 39p, after 37p, while **Avon Rubber** cheapened 3 to 116p on the interim figures. **European Ferries** met further profit-taking and closed 3 down at 133½p and **Highgate and Job** ended a like amount easier at 30p. **Trafalgar House** cheapened a penny to 67p; a large line of shares were successfully placed in the market yesterday. A resurgence of speculative buying on bid hopes helped **Howard Tenens** advance 6 to 72p, while **Low and Bonar** firmed 5 to 178p, after 180p. **Advance Laundries** hardened 2 to 37p on the higher profits. A nervous market of late on news that the preliminary results have been delayed, **Lesney Products** revived with an improvement of 3 to 21p, while **Rowan and Boden** put on 5 to 41p and **Pritchard Services** improved 2½ to 40p. Among the irregular leaders, **BOC** touched 67p before closing a net penny firmer on balance at 66p following the better-than-expected first-half profits. Reflecting sterling's strength, **Unilever** put on 8 to 418p.

Motor sectors were again quietly mixed. In Components, **Dunlop** passed a more subdued session than of late and closed unaltered at 73p, but **Lucas** continued dull, losing 3 more to 215p. **Associated Engineering**, annual results today, gave up a couple of pence to 60p. Elsewhere, **Hartwells** added 2 to 64p on the full-year results, while **Godfrey Davis** were also wanted and 5 better at 170p. Other Distributors generally closed easier with **T. C. Harrison** losing 3 at 50p. **ERF** gave up a similar amount to 74p, but **York Trailer**, a dull market since last week's poor first-quarter figures, picked up a couple of pence to 23p.

International Thomson closed 8 better at 402p following the annual report. Elsewhere in Newspapers, **Portsmouth and Sunderland**, annual results today, added 2 to 82p while, among advertising counters, support was seen for **Geers Gross**, 3 up at 51p.

Properties encountered a small two-way trade, but sellers gained the upper hand towards the close and left **Land Securities** 3 cheaper at 338p and **Haslemere Estates** 6 off at 326p. **Great Portland Estates** relinquished 4 to 234p.

Oils improve

News of the further round of crude price increases coupled with expectations of a rise in North Sea prices helped stimulate further support for Oil shares. Gains, however, were fairly modest in comparison to some of the recent sharp movements in the sector. Among the leaders, **BP** edged up 6 to 336p, while **Shell**, assisted for favourable comment on the first-quarter profits, improved 4 to 378p. **Ultramar** were good at 352p, up 18, following reports of a chart-buy signal. **IC Gas** encountered support and put on 24 to 840p while, in the more speculative issues, **Siebens** closed 25 to the good at 920p, after 880p, **Berkeley Exploration** put on 9 to 193p and **Clyde** 15 to 550p.

Among Trusts, further consideration of the unitisation proposals left **Tyneside** 7 higher at 147p and **Carliol** 4 dearer at 152p.

Golds up again

South African Golds made good progress for the sixth successive trading day following the rise in the bullion price—up $7 to $514 an ounce.

Initial buying interest from Johannesburg was quickly followed by sustained London demand and the market moved up throughout the day. Although in some cases only minor, gains were common across the list and the Gold Mines index put on 1.7 more to 310.6—its highest since the end of April.

Features in the heavyweights included **Free State Geduld**, £1¼ firmer at £22¾, **President Brand**, ¾ better at £17, and **President Steyn** and **Buffels** which rose around ½ to £14¾ and £16¾ respectively.

Cheaper-priced issues showed **Welkom** 14 higher at 538p, **Grootvlei** 11 to the good at 404p and **Loraine** a like amount up at 280p.

Kloof Gold, on the other hand, eased ¼ to £12¾ following news that the fire which started on May 15 has been sealed off; the area affected by the fire comprises approximately 20 per cent of Kloof's production area.

South African Financials moved up in the wake of Golds. Most of the buying interest came from Johannesburg sources and **Gold Fields of South Africa** were prominent with a gain of a point to £32.

Australians were mixed in subdued trading. The firmness of the bullion price prompted a rise of 6 to 216p in **Gold Mines of Kalgoorlie**, while speculative interest lifted diamond explorer **Leichardt Exploration** 10 to 230p.

The Rundle oil shale twins gained ground with **Central Pacific** ¼ higher at £24½ and **Southern Pacific** 12 better at 912p.

LONDON TRADED OPTIONS

Option	Ex'rcise price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP	300	56	—	64	3	78	—	337p
BP	330	35	35	44	—	60	—	"
BP	360	19	35	32	2	46	—	"
BP	390	8	1	19	1	—	—	"
BP	420	4	—	13	1	—	—	"
Com. Union	140	3	—	9	1	13	—	127p
Cons. Gold	500	10	1	34	—	42	—	458p
Courtaulds	60	13	12	13½	—	15	—	71p
Courtaulds	70	5	100	7½	—	9	—	"
Courtaulds	80	2	13	4	—	—	—	"
Grand Met.	120	11	1	16½	12	22	1	126p
Grand Met.	130	6½	15	10½	5	15	—	"
Grand Met.	140	2	1	6	36	—	—	"
ICI	330	56	3	66	—	76	—	374p
ICI	360	27	1	39	—	50	—	"
Land Secs.	260	79	—	89	1	—	—	339p
Land Secs.	280	59	—	72	14	—	—	"
Land Secs.	300	39	6	55	—	68	—	"
Land Secs.	330	15½	18	34	3	46	—	"
Land Secs.	360	4½	—	15	2	30	—	"
Marks & Sp.	90	4	—	8½	15	12	—	87p
Shell	360	32	32	46	—	58	—	381p
Shell	390	13	4	27	1	—	—	"
Shell	420	4	2	14	—	—	—	"
Totals			280		97		1	
		May		August		November		
Boots	200	½	4	—	—	—	—	186p
Imperial Gp.	80	½	111	3½	—	4½	—	75p
Imperial Gp.	90	¼	—	¾	—	2	2	"
Racal Elec.	240	6	29	21	—	33	—	244p
RTZ	360	4	10	25	4	45	—	356p
Totals			154		4		2	

FINANCIAL TIMES STOCK INDICES

	May 21	May 20	May 19	May 16	May 15	May 14	A year ago
Government Secs.	67.58	67.42	67.61	67.76	67.67	67.84	73.23
Fixed Interest	68.00	68.04	68.08	68.10	68.02	67.94	75.28
Industrial	431.6	433.6	433.8	435.7	437.8	440.0	512.4
Gold Mines	310.6	308.9	308.2	304.6	302.1	298.5	194.8
Ord. Div. Yield	8.22	8.19	8.18	8.12	8.06	8.03	5.88
Earnings, Yld. % (full)	20.05	19.96	19.94	19.81	19.66	19.66	15.15
P/E Ratio (net) (*)	6.05	6.08	6.09	6.13	6.17	6.17	8.47
Total bargains	17,625	17,207	18,223	17,125	18,498	17,803	—
Equity turnover £m	—	83.36	10,892	81.65	92.26	123.65	75.55
Equity bargains total	—	11,937	14 171	11,813	13,616	13,172	14,131

10 am 433.4. 11 am 432.3. Noon 431.3. 1 pm 431.9.
2 pm 431.6. 3 pm 432.0.

Latest Index 01-246 8026.

*Nil=5.67.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1980 High	1980 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	69.26 (21/1)	63.85 (7/3)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	69.61 (21/1)	64.70 (10/3)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	478.8 (15/2)	406.9 (3/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	377.9 (29/2)	265.5 (18/3)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	May 21	May 20
—Daily		
Gilt Edged	118.9	122.5
Industrials	113.9	121.9
Speculative	31.1	30.0
Totals	82.6	85.9
5-day Avrge.		
Gilt Edged	112.1	108.9
Industrials	106.0	103.4
Speculative	25.9	24.6
Totals	76.0	74.2

NEW HIGHS AND LOWS FOR 1980

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (33)

BRITISH FUNDS (2)
Treas. 3½pc '79-81; Excher. 9½pc 1981

LOANS (1)
U.S.M.C. without wts.

AMERICANS (2)
City Inv.; City Inv. Cum. Prf. B.

BANKS (5)
Cater Ryder; King & Shaxson; Copenhagen H'bank; Union Discount; Gerrard Nat Discount

BUILDINGS (2)
Benford Machinery; Burnett Hallamshire

CHEMICALS (1)
Rentokil

STORES (2)
Milletts Leisure; Polly Peck

ELECTRICALS (2)
Dubilier; Sony

ENGINEERING (3)
Senior Engineering; Utd. Engineering; Spirax-Sarco

FOODS (1)
Nurdin & Peacock

INDUSTRIALS (6)
Billam (J.); Halma; Elect. Ind. Secs.; Hoskins & Horton; Franklin Mint; Spring Grove

LEISURE (1)
Grampian A

PAPER (1)
Geers Gross

PROPERTY (1)
Lynton

OIL & GAS (2)
Silkolene; Ultramar

OVERSEAS TRADERS (1)
Warren Plants.

NEW LOWS (68)

AMERICANS (4)
Amax; Barnes Group; Asarco Inc.; Eaton Corp.

BANKS (3)
Bank of Ireland; Allied Irish; Do. 10pc Conv.

BUILDINGS (3)
Barratt Dvlpts.; Wiggins Constrctn.; Monk (A.)

STORES (5)
Courts A; Walker (J.); Greenfields; Wilkinson Warburton; Home Charm

ELECTRICALS (3)
Fidelity Radio; Wigfall (H.); Newman Inds.

ENGINEERING (12)
Assoc. Tooling; Greenbank; British Aluminium; Pegler-Hattersley; Cronite; Raine Eng'g; Duport; Richards (Leicester); Locker (T.); Tex Abrasives; Do. A; Walker (C. & W.)

FOODS (3)
Barrow Milling; Panto (P.); Bluebird Confectny.

INDUSTRIALS (14)
Airfix Inds.; Longton Industrial; Avon Rubber; Norvic Secs.; Black (P.); P.M.A. (Hldgs.); Booker McConnell; Riley (E. J.); Christie-Tyler; Scapa; Continental Group; Tove; Glaxo; Turner & Newall

LEISURE (1)
Barr & W.A.T. A

MOTORS (8)
E.R.F.; Glanfield Lawrence; Assocd. Eng'g; Harrison (T. C.); Woodhead (J.); Jessups; Appleyard; Lex Service

NEWSPAPERS (1)
Websters

PAPER (1)
Oxley Printing

SHOES (2)
Booth (Intl.); K Shoes

TEXTILES (2)
Beales (J.); Carpets Int.

TRUSTS (1)
London & European

OVERSEAS TRADERS (2)
Borthwick (T.); Jacks (Wm.)

RUBBERS (1)
Malaysian Plants.

MINES (2)
Rhodesian Corp.; West Coast

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	78	2	10
Corpns. Dom. and Foreign Bonds	9	2	55
Industrials	136	312	945
Financial and Prop.	58	120	324
Oils	18	15	17
Plantations	2	4	20
Mines	44	33	78
Others	28	61	52
Totals	373	549	1,501

LEADERS AND LAGGARDS

Percentage changes since December 31, 1979, based on Tuesday, May 20.

Property	+25.87	Financial Group	+ 8.97
Hire Purchase	+19.95	All-Share Index	+ 8.42
Electronics, Radio and TV	+19.43	Contracting and Construction	+ 8.21
Shipping	+18.99	Other Groups	+ 8.18
Merchant Banks	+18.38	Industrial Group	+ 7.97
Building Materials	+16.85	Entertainment and Catering	+ 7.91
Gold Mining FT	+15.00	500-Share Index	+ 7.63
Insurance (Life)	+13.94	Oils	+ 6.38
Investment Trusts	+13.53	Mechanical Engineering	+ 5.85
Overseas Traders	+13.13	Consumer Goods (Non-Durable) Group	+ 5.66
Electricals	+13.07	Office Equipment	+ 3.53
Discount Houses	+12.36	Insurance (Composite)	+ 3.02
Mining Finance	+11.87	Food Retailing	+ 2.94
Metals and Metal Forming	+11.79	Tobaccos	+ 1.10
Consumer Goods (Durable) Group	+11.76	Textiles	+ 0.97
Insurance Brokers	+11.49	Motors and Distributors	+ 0.19
Capital Goods Group	+10.74	Food Manufacturing	− 0.38
Stores	+10.50	Wines and Spirits	− 0.53
Packaging and Paper	+10.37	Engineering Contractors	− 4.65
Chemicals	+ 9.74	Banks	− 4.98
Breweries	+ 9.37	Pharmaceutical Products	− 6.62
Newspapers and Publishing	+ 9.25	Household Goods	−14.87
		Toys and Games	−42.65

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section. Columns 2–6 are for Wed., May 21, 1980.

		Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues., May 20 Index No.	Mon., May 19 Index No.	Fri., May 16 Index No.	Thurs., May 15 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	235.27	−0.4	18.60	6.81	6.67	236.34	236.53	237.32	237.45	270.08
2	Building Materials (28)	230.15	−0.6	18.60	7.08	6.64	231.58	231.97	232.25	231.10	251.79
3	Contracting, Construction (27)	350.50	−0.3	26.53	6.92	4.52	351.39	351.86	351.79	353.09	409.07
4	Electricals (16)	622.77	+0.2	13.43	4.05	9.66	621.50	621.64	625.81	625.95	658.76
5	Engineering Contractors (11)	274.01	−0.1	24.94	9.46	5.05	274.29	273.59	273.77	275.86	399.49
6	Mechanical Engineering (74)	157.37	−0.7	20.63	8.33	5.97	158.54	158.65	159.37	159.48	198.86
8	Metals and Metal Forming (16)	159.35	−1.6	21.54	10.25	5.62	161.98	162.27	162.04	163.09	183.19
11	CONSUMER GOODS (DURABLE) (49)	211.85	−0.4	15.42	6.01	7.93	212.78	214.45	216.31	217.71	248.78
12	Lt. Electronics, Radio, TV (14)	305.04	−0.3	11.94	4.38	10.71	305.90	308.63	311.17	312.71	348.01
13	Household Goods (14)	98.07	−0.9	30.14	10.89	3.92	98.97	101.65	104.87	106.06	173.33
14	Motors and Distributors (21)	102.92	−0.8	22.24	9.59	5.22	103.72	103.82	104.35	105.36	126.79
21	CONSUMER GOODS (NON DURABLES) (172)	214.73	−0.3	19.12	7.21	6.33	215.28	215.29	216.18	216.73	250.48
22	Breweries (14)	274.25	−0.8	16.14	6.41	7.28	276.53	277.47	277.36	278.58	286.29
23	Wines and Spirits (5)	291.66	—	18.68	6.40	6.60	291.57	293.15	292.37	296.07	311.96
24	Entertainment, Catering (17)	294.69	−0.1	19.20	7.37	6.40	295.10	290.36	289.97	288.64	332.25
25	Food Manufacturers (21)	190.20	+0.4	20.66	7.74	5.68	189.46	189.03	190.17	190.88	227.70
26	Food Retailing (13)	300.79	−0.6	14.35	5.15	8.23	302.72	303.51	304.52	306.11	304.47
32	Newspapers, Publishing (13)	419.33	−0.1	22.68	6.97	5.96	419.73	418.39	426.44	425.14	464.18
33	Packaging and Paper (15)	126.44	−0.6	25.68	9.26	4.75	127.20	127.06	128.50	129.02	145.80
34	Stores (42)	210.27	−0.5	14.60	5.78	8.76	211.24	212.35	212.94	213.02	254.37
35	Textiles (24)	126.72	−0.1	27.37	12.18	4.58	126.79	125.79	127.41	126.78	188.96
36	Tobaccos (3)	201.16	—	30.41	10.28	3.72	201.16	200.67	202.65	204.02	254.75
37	Toys and Games (5)	27.77	+1.6	44.10	17.47	2.69	27.34	27.31	27.31	28.17	79.43
41	OTHER GROUPS (99)	201.98	−0.2	17.97	7.39	6.61	202.49	203.42	204.57	206.43	228.09
42	Chemicals (16)	304.40	−0.1	20.59	7.88	5.57	304.75	305.67	308.31	313.41	302.45
43	Pharmaceutical Products (7)	181.70	+0.3	13.86	7.37	8.75	181.19	182.99	183.10	184.86	256.76
44	Office Equipment (6)	106.49	−0.9	20.45	7.79	5.59	107.43	108.37	109.31	109.49	130.66
45	Shipping (10)	500.93	−0.7	13.87	7.06	8.83	504.63	508.67	510.81	509.05	468.28
46	Miscellaneous (60)	245.56	−0.4	17.45	6.94	7.06	246.55	247.22	248.38	249.69	259.80
49	INDUSTRIAL GROUP (492)	223.53	−0.3	18.44	7.07	6.58	224.25	224.68	225.71	226.60	255.57
51	Oils (8)	752.75	+1.6	30.65	6.84	3.60	740.68	734.93	751.67	760.99	652.48
59	500 SHARE INDEX	265.34	+0.1	21.05	7.02	5.59	265.10	265.07	267.30	268.82	288.01
61	FINANCIAL GROUP (118)	198.18	−0.3	—	6.23	—	198.72	198.83	199.54	200.32	201.68
62	Banks (6)	208.49	−0.4	46.97	7.38	2.61	209.40	210.81	211.06	212.01	239.26
63	Discount Houses (10)	252.61	+2.5	—	7.69	—	246.40	246.40	246.75	245.72	242.98
64	Hire Purchase (5)	198.51	+0.1	16.55	5.00	7.85	198.31	196.11	196.81	204.10	198.92
65	Insurance (Life) (10)	178.54	+0.2	—	7.13	—	178.18	178.22	179.49	177.54	166.38
66	Insurance (Composite) (9)	125.12	−0.2	—	8.60	—	125.35	125.25	126.99	126.56	139.14
67	Insurance Brokers (10)	293.70	−1.5	16.06	7.22	8.65	298.29	298.41	298.96	298.29	295.08
68	Merchant Banks (14)	106.94	+0.7	—	5.76	—	106.25	105.40	105.81	105.61	101.83
69	Property (45)	397.34	−0.3	3.52	2.78	40.55	398.68	398.03	397.43	402.79	353.87
70	Miscellaneous (9)	128.76	−0.4	20.35	7.34	6.26	129.30	129.46	129.11	130.47	127.64
71	Investment Trusts (109)	218.32	−0.1	—	6.16	—	218.54	218.72	220.72	220.68	229.26
81	Mining Finance (4)	182.17	+0.5	14.60	5.42	8.30	181.17	185.46	185.95	187.68	141.67
91	Overseas Traders (19)	373.60	−0.6	13.38	7.24	9.14	376.04	380.52	381.41	379.86	363.68
99	ALL-SHARE INDEX (750)	249.16	—	—	6.79	—	249.13	249.37	251.19	252.42	264.22

FIXED INTEREST PRICE INDICES

	British Government	Wed., May 21	Day's change %	xd adj. today	xd adj. 1980 to date
1	Under 5 years	103.68	+0.31	—	4.02
2	5-15 years	108.22	+0.34	—	4.15
3	Over 15 years	112.11	+0.38	—	4.81
4	Irredeemables	129.69	—	—	6.08
5	All stocks	107.72	+0.34	—	4.31

FIXED INTEREST YIELDS
British Govt. Av. Gross Red.

			Wed., May 21	Tues., May 20	Year ago (approx.)
1	Low Coupons	5 years	12.28	12.35	9.80
2		15 years	12.24	12.29	10.61
3		25 years	12.24	12.29	11.12
4	Medium Coupons	5 years	14.05	14.16	11.41
5		15 years	13.90	13.97	11.85
6		25 years	13.75	13.79	11.98
7	High Coupons	5 years	14.13	14.23	11.67
8		15 years	14.26	14.32	12.21
9		25 years	14.10	14.16	12.23
10	Irredeemables		11.26	11.26	10.97

		Wed., May 21 Index No.	Wed., May 21 Yield %	Tues. May 20	Mon. May 19	Fri. May 16	Thurs. May 15	Wed. May 14	Tues. May 13	Mon. May 12	Year ago (approx)
15	20-yr. Red. Deb & Loans (15)	51.28	†14.43	51.28	51.29	51.30	51.30	51.29	51.28	51.17	61.02
16	Investment Trust Prefs. (15)	47.64	14.17	47.64	47.64	47.58	47.59	47.54	47.45	47.50	52.59
17	Coml. and Indl. Prefs. (20)	61.74	14.53	61.74	61.82	61.71	61.49	61.49	61.33	61.19	74.90

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 25p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
Peerless	25p	12	104	—	110	104
LASMO	25p	10	645	—	665	337
Ultramar	25p	10	352	+18	352	206
Shell Transport	25p	8	378	+ 4	410	314
NatWest Bank	£1	7	315	− 3	373	305
Premier Cons.	5p	7	89½	+ 1½	98	39½
BP	25p	6	336	+ 6	412	320
Fisons	£1	6	267	−17	304	254
GKN	£1	6	257	− 7	279	237
ICI	£1	6	374	—	402	353
Maple	10p	6	35½	+ ½	36	17½
Meyer (Mont. L.)	25p	6	95	− 2	120	73
Cad. Schweppes	25p	5	59	—	66	54
Carless Capel	10p	5	130	− 2	158	75
Christies Intl.	10p	5	200	—	200	132

OPTIONS

First Dealing	Last Dealing	Last Declaration	For Settlement
May 19	Jun. 6	Aug. 28	Sept. 8
Jun. 9	Jun. 20	Sept. 11	Sept. 22
Jun. 23	Jul. 4	Sept. 25	Oct. 6

For rate indications see end of Share Information Service.

Stocks favoured for the call included Premier Oil, British Sugar, BP, House of Fraser, Keyser Ullmann, Ultramar, Oil Search, Milford Docks, Dunlop, Tricentrol and Hill Samuel. Puts were arranged in Land Securities, FNFC and New Throgmorton Warrants, while doubles to be arranged included P & O Deferred, Premier Oil, FNFC, Heron Motor and Dunlop.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price p	+ or −	Div. p. or Amount	Times Covered	Gross Yield	P.E. Ratio
§150	F.P.	—	185	173†	Air Call	178	......	b2.63	3.3	2.1	21.1
85	F.P.	16/5	95	84	Amstrad Cons. Elect.	84	......	bd3.5	5.0	5.6	6.7
	F.P.	—	180	135††	Hemerdon Mining 10c	140	......	—	—	—	—
65	Nil	20/6	80	74	Home Farm Prods 10p	79	−1	b2.9	2.5	5.2	10.8
§90	F.P.	—	101	94	Morley (R.H.) 10p	98	......	b4.75	1.3	6.9	15.7
100	F.P.	—	110	104	Peerless	104	......	b6.3	2.8	8.6	5.2
§10	F.P.	6/5	10¾	10	Trst. of Prop. Shrs. 5p	10	......	—	—	—	—

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price £	+ or −
‡	Nil	3/6	31pm	11pm	Automated Sec. 8% Cnv. Uns. Ln. '85	26pm	−1
100p	F.P.	[illegible]	[illegible]	[illegible]	Edwards (L.C.) 8% Conv. Cum. Pref.	101	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	North Brit. Props. [illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Norwest Holst [illegible] Red Cum Pref 1986	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price p	+ or −
30	F.P.	[illegible]	150	[illegible]	Brent Chemicals	146	[illegible]
66	F.P.	[illegible]	[illegible]	[illegible]	Gilford's Dairies 'A'	18pm	[illegible]
18	Nil	[illegible]	[illegible]	[illegible]	Netsan	[illegible]	[illegible]
27	F.P.	[illegible]	[illegible]	[illegible]	First Castle Secs.	22	[illegible]
40	Nil	[illegible]	[illegible]	[illegible]	Hawley Leisure	5pm	[illegible]
48	F.P.	[illegible]	[illegible]	[illegible]	Howard Tenens	[illegible]	[illegible]
118	Nil	[illegible]	[illegible]	[illegible]	Lendon	10	[illegible]
60cts	Nil	[illegible]	[illegible]	[illegible]	Pancontinental	275pm	[illegible]
54	F.P.	[illegible]	[illegible]	[illegible]	Rugby Portland Cement	57	[illegible]
180	F.P.	[illegible]	[illegible]	[illegible]	Scanstek	[illegible]	[illegible]
68	F.P.	[illegible]	[illegible]	[illegible]	United [illegible]	[illegible]	[illegible]
110	F.P.	[illegible]	[illegible]	[illegible]	Watmoughs	155	[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible]

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

King & Shaxson Mngrs.
1, Charing Cross, St. Helier, Jersey. (0534) 73741
Valley Hse., St. Peter Port, Gnsy. (0481) 24706
1 Thomas Street, Douglas, I.O.M. [illegible]

Gilt Fund (Jersey)	£8.24	[illegible]	[illegible]	[illegible]
Gilt Trust (I.o.M.)	93.3	[illegible]	[illegible]	[illegible]
Gilt Fnd. Guernsey	8.73	[illegible]	[illegible]	[illegible]
Intl. Govt. Secs. Tst.	[illegible]	[illegible]	[illegible]	[illegible]
First Sterling	£18.69	[illegible]	[illegible]	[illegible]
First Intl.	£239.09	[illegible]	[illegible]	[illegible]

Kleinwort Benson Limited
20, Fenchurch St., EC3.

Eurinvest	LF[illegible]	[illegible]	[illegible]	[illegible]
Guernsey Inc.	70.7	[illegible]	[illegible]	[illegible]
Do. Accum.	93.3	[illegible]	[illegible]	[illegible]
K.B. Eurobond Fd.	9.76	[illegible]	[illegible]	[illegible]
K.B. Far-East Fd.	US[illegible]	[illegible]	[illegible]	[illegible]
K.B. Gilt Fund	£9.83	[illegible]	[illegible]	[illegible]
K.B. Int. Bd. Fd. Inc.	US[illegible]	[illegible]	[illegible]	[illegible]
K.B. Int. Bd. Fd. Acc.	US[illegible]	[illegible]	[illegible]	[illegible]
K.B. Intl. Fund	US[illegible]	[illegible]	[illegible]	[illegible]
K.B. Japan Fund	US[illegible]	[illegible]	[illegible]	[illegible]
K.B. Sterl. Asset Fd.	£11.05	[illegible]	[illegible]	[illegible]
K.B. U.S. Gwth. Fd.	US[illegible]	[illegible]	[illegible]	[illegible]
Signet Bermuda	US[illegible]	[illegible]	[illegible]	[illegible]

Lazard Brothers & Co. [illegible]
P.O. Box 108, St. Helier, Jersey. [illegible]
L.B. External Fund US$9.1[illegible]

Lloyds Bk. (C.I.) U/T [illegible]
P.O. Box 195, St. Helier, Jersey. [illegible]
Lloyds Tst. O'seas 53.7 [illegible] Next dealing [illegible]
Lloyds Trust Gilt £9.43 [illegible] Next dealing [illegible]

Lloyds Bank International [illegible]

[illegible]

Providence Capitol Life Ass. (C.I.)
PO Box 121, St Peter Port, Guernsey 0481 26726/9

Sterling Bond Fd.	47.0	49.3	−0.2	—
Sterling Equity Fd.	58.1	61.0	−1.0	—
Intnl. Bond Fd.	US$1.00	1.04	—	—
Intnl. Equity Fd.	US$0.98	1.03	—	—

Prices at May 21. Next dealing May 28.

Quest Fund Mngmnt. (Jersey) Ltd.

[illegible]

Stronghold Management Limited
P.O. Box 315, St. Helier, Jersey. 0534-71460
Commodity Trust 143.97 151.55 — —

Surinvest (Jersey) Ltd. (x)
Queens Hse., Don Rd., St. Helier, Jsy. 0534 27349

American Ind. Tst.	£4.53	4.63	—	—
Copper Trust	£13.20	13.53	−0.09	—
Jap. Index Tst.	£6.22	6.35	+0.08	—

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)

Allen Harvey & Ross Unit Tst. Mngrs.

Allied Hambro Group (a) (g)

Anderson Unit Trust Managers Ltd.

Ansbacher Unit Mgmt. Co. Ltd.

Arbuthnot Securities Ltd. (a)(c)

Archway Unit Tst. Mgs. Ltd.

Barclays Unicorn Ltd.

Baring Brothers & Co. Ltd.

Bishopsgate Progressive Mgmt. Co.

Bridge Fund Managers (a)(c)

Britannia Trust Management (a)(g)

The British Life Office Ltd.

Brown Shipley & Co. Ltd.

Canada Life Unit Trst. Mngrs. Ltd.

Capel (James) Mngt. Ltd.

Carliol Unit Fd. Mgrs. Ltd.

Carr, Sebag Unit Trust Managers(a)

Charities Official Invest. Fund

Chieftain Trust Managers Ltd.

Confederation Funds Mgt. Ltd. (a)

Crescent Unit Tst. Mgrs. Ltd. (a)(g)

Discretionary Unit Fund Managers

E. F. Winchester Fund Mngt. Ltd.

Emson & Dudley Tst. Mngmt. Ltd.

Equity & Law Un. Tr. M.

Fidelity International Management Ltd.

James Finlay Unit Trust Mngt. Ltd.

Framlington Unit Mgt. Ltd. (a)

Friends' Provdt. Unit Tr. Mgrs.

Funds in Court

G.T. Unit Managers Ltd.

G. & A. Trust (a) (g)

Gartmore Fund Managers (a)(g)

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)

Govett (John)

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration (a)(c)

Hill Samuel Unit Tst. Mgrs.

Intel.

Investment Intelligence Ltd.

Key Fund Managers Ltd. (a)(g)

Kleinwort Benson Unit Managers

L. & C. Unit Trust Management Ltd.

Legal & General Tyndall Fund

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd.

Lloyd's Life Unit Tst. Mngrs. Ltd.

Local Authorities' Mutual Invest. Trust

M & G Group (y)(c)(z)

ManuLife Management Ltd.

Mayflower Management Co. Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group Unit Trust Managers Ltd.

Minster Fund Managers Ltd.

MLA Unit Trust Mngemt. Ltd.

Murray Johnstone U.T. Mgmt.

Mutual Unit Trust Managers (a)(g)

National Provident Inv. Mngrs. Ltd.

National Westminster (a)

NEL Trust Managers Ltd.

Northgate Unit Trust Managers Ltd.

Norwich Union Insurance Group (b)

Pearl Trust Managers Ltd. (a)(g)(z)

Pelican Units Admin. Ltd. (g)(x)

Perpetual Unit Trust Mngmt. (a)

Practical Invest. Co. Ltd. (y)(c)

Provincial Life Inv. Co. Ltd.

Prudl. Portfolio Mngrs. Ltd.

Quilter Management Co. Ltd.

Reliance Unit Mgrs. Ltd.

Ridgefield Management Ltd.

Rothschild Asset Management (g)

Rowan Unit Trust Mngt. Ltd.

Royal Tst. Can. Fd. Mgrs. Ltd.

Save & Prosper Group

Schlesinger Trust Mngrs. Ltd. (a)(z)(g)

J. Henry Schroder Wagg & Co. Ltd.

Scottish Equitable Fnd. Mgrs. Ltd.

Security Selection Ltd.

Stewart Unit Tst. Managers Ltd. (a)

Sun Alliance Fund Mngt. Ltd.

Target Tst. Mngrs. Ltd. (a)(g)

Tower Unit Trust Mngt. Ltd.

Trades Union Unit Tst. Managers

Transatlantic and Gen. Secs. Co. (y)(c)

Tyndall Managers Ltd.

TSB Unit Trusts (y)

Ulster Bank (a)

Unit Trust Account & Mgmt. Ltd.

Wieler Growth Fund

NOTES

Prices are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♦ Net of tax on realised capital gains unless indicated by ♦. † Guernsey gross. ■ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies.

INSURANCE PROPERTY BONDS

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

Barclays Life Assur. Co. Ltd.

Beehive Life Assur. Co. Ltd.

Canada Life Assurance Co.

Cannon Assurance Ltd.

Capital Life Assurance

Charterhouse Magna Gp.

Chieftain Assurance Funds

City of Westminster Assurance

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crown Life

Crusader Insurance Co. Ltd.

Eagle Star Insur/Midland Assur.

Equity & Law Life Ass. Soc. Ltd.

Equity & Law (Managed Funds) Ltd.

Family Assurance Society

Gartmore Bonds

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. C. Ltd.

Gresham Life Ass. Soc. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hambro Life Assurance Limited

Hearts of Oak Benefit Society

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assurance Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London A'deen & Nthn. Mtl. Assur. Ltd.

London Indemnity & Gnl. Ins. Co. Ltd.

London Life Linked Assur. Ltd.

The London & Manchester Ass. Gp.

M & G Group

Manufacturers Life Insurance Co.

Merchant Investors Assurance

NEL Pensions Ltd.

New Zealand Ins. Co. (UK) Ltd.

NPI Pensions Management Ltd.

Norwich Union Insurance Group

Phoenix Assurance Co. Ltd.

Planned Savings Group

Prop. Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Providence Capitol Life Ass. Co. Ltd.

Provincial Life Assurance Co. Ltd.

Prudential Pensions Limited

Reliance Mutual

Rothschild Asset Management

Royal Insurance Group

Save & Prosper Group

Schroder Life Group

Scottish Widows' Group

Skandia Life Assurance Co. Ltd.

Standard Life Assurance Company

Sun Alliance Fund Mangmt. Ltd.

Sun Alliance Linked Life Ins. Ltd.

Sun Life of Canada (UK) Ltd.

Sun Life Unit Assurance Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Assurance/Pensions

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.

Windsor Life Assur. Co. Ltd.

OFFSHORE & OVERSEAS FUNDS

Albany Fund Management Limited

Alexander Fund

Allen Harvey & Ross Inv. Mgt. (C.I.)

Alliance International Dollar Reserves

Arbuthnot Securities (C.I.) Limited

Bank of America International S.A.

Banque Bruxelles Lambert

Barbican Managers (Jersey) Ltd.

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bishopsgate Progressive Ldn. Agents

Bridge Management Ltd.

Britannia Tst. Mngmt. (C.I.) Ltd.

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

Capital International S.A.

Charterhouse Japhet

Clive Investments (Jersey) Ltd.

Cornhill Ins. (Guernsey) Ltd.

Craigmount Fixed Int. Mngrs. (Jersey)

DWS Deutsche Ges. F. Wertpapiersp

Delta Group

Deutscher Investment-Trust

Dreyfus Intercontinental Inv. Fd.

Emson & Dudley Tst. Mgt. Jry. Ltd.

The English Association

Eurobond Holdings N.V.

F & C Mgmt. Ltd. Inv. Advisers

Fidelity Mgmt. & Res. (Bda.) Ltd.

Fidelity Mgmt. Research (Jersey) Ltd.

First Viking Commodity Trusts

Fleming Japan Fund S.A.

Frankfurt Trust Investment-GmbH

Free World Fund Ltd.

G.T. Management Ltd.

Gartmore Invest. Ltd. Ldn. Agts.

Hambro Pacific Fund Mgmt. Ltd.

Hambros (Guernsey) Ltd.

Henderson Baring Group

Hill-Samuel & Co. (Guernsey) Ltd.

Hill Samuel Invest. Mgmt. Intnl.

N.V. Interbeheer

International Pacific Inv. Mngt. Ltd.

Jardine Fleming & Co. Ltd.

Kemp-Gee Management Jersey Ltd.

Keyser Ullman Ltd.

Leopold Joseph & Sons (Guernsey)

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1980 High	1980 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
98 13/16	95⅞	Treasury 3½pc '77-80	98 15/16xd	.....	3.54	16.28
99⅛	96	Funding 5¼pc '78-80‡‡	99¼xd	.....	5.30	16.28
99⅝	97⅞	Exchequer 13pc 1980‡‡	99¼xd	+1/16	13.09	14.48
98⅝	96¼	Treasury 11½pc 1981‡‡	98 3/16	+⅛	11.71	14.31
92⅝	90¾	Treasury 3¼pc 1979-81	92⅞	+⅛	3.78	14.28
96½	93⅞	Treasury 9¾pc 1981‡‡	96⅜	+⅛	10.11	14.27
94¾	91¼	Exch. 8¼pc 1981	94⅝xd	+¼	8.71	13.94
94 11/16	92¼	Exch. 9½pc 1981	94 13/16	+3/16	10.00	14.15
91⅜	85½	Exch. 3pc 1981	91¼	+⅛	3.26	10.17
98 1/16	96½	Treas. Variable '81§§	98¼	−1/16	16.85	17.43
98¼	95 3/16	Exch. 12¾pc 1981‡‡	98 3/16xd	+⅛	12.98	14.09
92⅝	88½	Treas. 8½pc '80-82‡‡	92	+⅛	9.23	14.03
86¾	82½	Treasury 3pc '82‡‡	88¼	+⅛	3.38	10.20
100¼	96½	Treasury 14pc '82‡‡	100 3/16	+⅛	13.97	13.81
97 1/16	94¼	Treas. Variable '82§§	97 1/16xd	.....	16.94	18.42
90¾	86⅛	Treasury 8¼pc '82	90 1/16	+3/16	9.13	13.63
91	86⅜	Exch. 9¼pc 1982	90½	+⅛	10.22	14.10
89⅝	85	Exch. 8¾pc 1983	89 3/16	+3/16	9.81	13.76
81⅜	76½	Exch 3pc '83	81⅜	+¼	3.66	10.82
95¼	90⅜	Treasury 12pc 1983‡‡	94 13/16	+3/16	12.65	14.26
94⅞	90⅝	Treas. Variable '83§§	94 13/16xd	−1/16	17.02	18.99
92 13/16	84½	Treasury 9½pc '83	88 7/16	+3/16	10.45	13.86
98 3/16	94¼	Exch. 13¼pc '83	97 13/16xd	+3/16	13.80	14.29
89 7/16	84½	Exch. 10pc 1983	89 7/16xd	+3/16	11.18	13.88
80⅞	76½	Funding 5½pc '82-84‡‡	80⅞	+⅛	6.80	12.12
92 3/16	87¼	Exch. 11¼pc 1984	92	+⅛	12.22	14.02
100 1/16	94½	Exchequer 14pc 1984	99⅝xd	+3/16	14.08	14.30
73	68¼	Exch. 3pc 1984	72⅜xd	+½	4.12	11.59
94⅝	88⅜	Treasury 12pc 1984	93 13/16	+3/16	12.79	13.90
104⅛	98	Treasury 15pc 1985	103⅛	+½	14.55	14.05

Five to Fifteen Years

1980 High	1980 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
97⅝	90⅛	Exch. 12¼pc 1985	94⅛xd	+¼	13.01	13.80
87	79¾	Treasury 8¼pc '84-86‡‡	86⅝	+⅜	10.20	12.47
101⅞	91	Exch. 13¼pc 1987	101¼	+¼	13.67	13.96
76	70¾	Funding 6½pc '85-87‡‡	75⅝	+⅜	8.63	11.82
78⅞	72¼	Treasury 7¾pc '85-88‡‡	78½	+¼	10.19	12.72
60⅞	54⅞	Transport 3pc '78-88	60⅞	+⅛	5.06	10.63
90⅝	83	Treasury 11½pc 1989	90	+⅜	13.19	14.07
64⅛	58⅜	Treasury 5pc '86-89	62½	+½	8.06	11.79
99⅞	89¼	Treasury 13pc 1990‡‡	99⅛	+⅜	13.74	14.02
77½	69⅞	Treasury 8¼pc '87-90‡‡	73½xd	+⅜	11.14	12.94
91⅝	82½	Treasury 11¾pc 1991	90⅞	+⅜	13.56	14.21
64⅝	57½	Funding 5¾pc '87-91‡‡	61⅞	+¼	9.40	12.33

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

1980 High	1980 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
60	56½	Agric. Mt. 5pc '59-89	59½	.....	8.68	13.10
79½	73½	Alcan 10½pc '89-94	79½	.....	13.83	14.65
28½	25	Met. Wtr. 3pc 'B'	27¼	.....	11.28	13.30
102	89	U.S. M.C. 9pc 1982	96	.....	9.79	—
91	85½	Do. without Warrants	91	+½	10.40	16.20

LOANS—Continued

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

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BANKS & HP—Continued

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

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FOOD, GROCERIES—Cont.

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[illegible]

Eastern Rand

[illegible]

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[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—Continued

Australian

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
25	21	Acmex 50c	23	......	—	—	—
24	12	ACM 20c	15	......	—	—	—
86	52½	Bond Corp.	75	......	bQ2.8c	2.2	1.9
156	88	Bougainville 1 Kina	102	+2	bQ26.8c	♦	14.6
265	195	BH South 50c	200	......	←	—	—
25	11½	Canada Northwest	19	+½	—	—	—

[illegible]

Tins

[illegible]

Copper

235	130	Messina R0.50	184rd	......	mQ10c	♦	3.1

Miscellaneous

165	78½	Anglo-Dominion	165	......	—	—	—
97	57	Barymin	57	......	—	—	—
16	12	Burma Mines 10p	14	−1	0.62	♦	6.4
502	320	Cons. Murch. 10c.	340	......	H010c	1.8	16.8
585	325	Northgate C$1	350	−5	—	—	—
485	327	R.T.Z.	355xd	+2	15.0	q3.3	6.0
33	16	Robert Mines	22½	......	—	—	—
58	26	Sabina Inds. C$1	32	......	—	—	—
650	411	Tara Exptn. $1	415	−5	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- ¤ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- § Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- φ Excluding a final dividend declaration.
- ♣ Regional price.
- ‖ No par value.
- §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	29	......
Bertam	21	+1
Bdg'wtr. Est. 50p	415	......
Clover Croft	60	......
Craig & Rose £1	£30½	......
Fife Forge	34	......
Finlay Pkg. 5p	18	......
Graig Ship. £1	£14	−1
Higsons Brew	80xd	......
Holt (Jos) 25p	252	......
I.O.M. Stm. £1	189	......
Pearce (C. H.)	453xd	......
Peel Mills	40	......
Sheff. Refrshmt	105	......
Sindall (Wm.)	155	......

IRISH

Conv. 9% '80/82	£87¾	−½
Nat. 9¾% 84/89	£75½	−¼
Fin. 13% 97/02	£83⅝	−¼
Alliance Gas	43	......
Arnott	370xd	......
Carroll (P.J.)	52	......
Clondalkin	117	......
Concrete Prods.	75	......
Heiton (Hldgs.)	35	......
Ins. Corp.	245	......
Irish Ropes	60	......
Jacob	38	......
T.M.G.	100	......
Unidare	100	......

OPTIONS
3-month Call Rates

Industrials					
A. Brew	8	I.C.I.	22	Utd. Drapery	9
BOC Intl.	6	"Imps"	7	Vickers	14
B.S.R.	5	I.C.L.	45	Woolworths	6½
Babcock	12	Inveresk	5	**Property**	
Barclays Bank	30	Ladbroke	15	Brit. Land	7
Beecham	13	Legal & Gen.	16	Cap. Counties	9
Blue Circle	25	Lex Service	10	Land Secs.	25
Boots	17	Lloyds Bank	24	MEPC	17
Bowaters	16	"Lots"	3½	Peachey	13
B.A.T.	25	London Brick	6	Samuel Props.	12
Brown (J.)	7	Lucas Inds.	20	Town & City	2
Burton 'A'	22	"Mams"	14	**Oils**	
Cadburys	5½	Mrks. & Spncr	9	Brit. Petroleum	38
Courtaulds	8	Midland Bank	30	Burmah Oil	20
Debenhams	8	N.E.I.	5	Charterhall	12
Distillers	21	Nat. West. Bank	32	KCA	11
Dunlop	5½	P & O Dfd.	9	Premier	12
Eagle Star	14	Plessey	16	Shell	35
F.N.F.C.	2½	Racal Elect.	20	Tricentrol	35
Gen. Accident	21	R.H.M.	4½	Ultramar	50
Gen. Electric	30	Rank Org.	18	**Mines**	
Glaxo	40	Reed Intnl.	17	Charter Cons.	18
Grand Met.	12	Sears	5½	Cons. Gold	52
G.U.S. 'A'	30	Tesco	7	Lonrho	12
Guardian	23	Thorn	25	Rio T. Zinc	35
G.K.N.	22	Trust Houses	14		
Hawker Sidd	16	Tube Invest.	27		
House of Fraser	12	Unilever	40		
		U.D.T.	6		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 40

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FINANCIAL TIMES
Thursday May 22 1980

Civilians fight South Korean army

Our Foreign Staff reports on the disturbances which have shaken South Korea for the last four days

THOUSANDS of armed civilians *battled against* the South Korean military yesterday in the southern provincial capital of Kwangju.

For four days there has been a general uprising in the city. Residents said at least 50 people died in yesterday's clashes as besieged special *forces para*-troopers tried to fight their way out of their provincial headquarters.

The demonstartors demanded that elections be held and political prisoners released.

The declaration of martial law on Saturday prompted the uprising on the city's university campus. A brutal military backlash brought thousands of protesting cilivians on the streets.

People from the countryside in the surrounding province of Cholla then flocked into the city, swelling the civilian "army" to 200,000. Miners armed with explosives joined the demonstrators, while others raided armouries, commandeered army vehicles and seized new armoured personnel carriers.

Demonstrators were said to have to looted liquor stores and distributed free milk and groceries. Well-organised militia, said to be armed with automatic rifles and carbines, stopped vehicles entering the city to check identity papers.

At one point, armed civilians guarding barricades at the city centre exchanged fire with armed helicopters which flew overhead.

Uprising elsewhere in South Korea seems to have died down. In Seoul, the capital, President Choi Kyu Hah announced the appointment of a new government, to be led by retired air force Major General Park Choong Hoon.

This follows Tuesday's resignation of the Government of Prime Minister Shin Hyon Hwack, a gesture made after accepting full responsibility for the collapse of public order and a failure to bring riots in the south of the country under control.

Martial law authorities yesterday blamed the unrest on North Korean spies, but there is no evidence to support these claims.

Fears that Communist North Korea would exploit the situation have prevented the military from drawing forces away from the northern border to deal with demonstrators. Over the border, they face an estimated 700,000 North Korean troops.

Kwangju has for some time been a focal point of unrest. It is the capital of the impoverished agricultural Cholla state, and there is traditional animosity towards the neighbouring provinceo f Kyongsan—home state of President Park Chung Hee, who was violently assassinated last October after 18 years of repressive rule.

Cholla is the political base of *leading dissident Kim Jae Kyu*, a man who nearly won power in the race for presidential power against Park in 1962 and who is treated as a local hero. Demonstrators called for his release.

Both the military and President Choi Kyu Hah are believed to be seeking a political solution to the problem.

This will be the first job facing the new Prime Minister, Park Choong Hoon.

Mr. Park, a former deputy Prime Minister and Economic Planning Minister, first emerged as one of a junta of military officers who ran the country for two years following the coup led by then Major General Park Chung Hee in 1961.

Talks on Ireland 'a success'

By John Elliott, Industrial Editor

REGULAR meetings are to be held between Mr. Charles Haughey, the Irish Prime Minister, and Mrs. Margaret Thatcher. This was agreed in London yesterday at talks which Mr. Haughey described as one of the most friendly and cordial meetings he has ever had with any politician.

The British side also judged the meeting to be a distinct success. Officials believed a closer working relationship could now be developed between London and Dublin.

But despite the meeting's success, Mr. Haughey predictably failed to move Mrs. Thatcher on the contentious issue of the constitutional status of Northern Ireland.

Northern Ireland was discussed during the 45-minute meeting, and satisfaction expressed at increased border security, but Mrs. Thatcher did not tell Mr. Haughey the contents of the discussion document to be published next month on devolved power in Ulster.

Communique

And after the talks Mr. Haughey repeated that the UK Government's guarantee that Northern Ireland would remain part of the UK as long as the majority of the people in the province wished it was a "major stumbling" to the reunification of Ireland by peaceful means.

He said that he had made this point to Mrs. Thatcher and *that he believed that, while* Britain guaranteed the status of the largely Unionist majority, there could be no progress to a peaceful solution.

Having made his point, however, Mr. Haughey said in the joint communique issued after the talks: "While agreeing with the Prime Minister that any change in the constitutional status of Northern Ireland will only come about with the consent of the majority of the people of Northern Ireland, the Taoiseach (Prime Minister) reaffirmed that it is the wish of *the Irish Government to secure* the unity of Ireland by agreement and in peace."

Mr Haughey did not bring a concrete package of constitutional amendments which he might make to entice Northern Protestants into agreeing to closer links with the Republic.

He hoped that the people of Northern Ireland would come to him to discuss what changes they would like to see in the Republic.

Mr. Haughey specifically rejected an imposed solution to the Northern /reland problem.

On the imminent British Government plan for political devolution, Mr. Haughey, while not condemning the initiative, said that no approach which tackled Northern Ireland on a purely internal basis could hope to succeed.

U.S. presses claim for fibre quota compensation

BY JOHN WYLES IN BRUSSELS

THE *European Community* is under pressure from the U.S. to bring forward tariff cuts due next January under the General Agreement on Trade and Tariffs as compensation for the special quotas on American fibres Britain introduced in February.

Washington is suggesting that advance tariff cuts on some "chemical related" products would avert U.S. moves to impose import curbs on a range of EEC goods in retaliation for the UK's protective quotas.

The U.S. is entitled to take such action under Article 19 of the GATT treaties and had been expected to do so on Tuesday. The deadline for a decision has been moved to June 20 to allow time for negotiations on the tariff-cutting proposals.

The U.S. obective is to compensate its companies, affected by the British quotas on American-produced polyester filament yarn and nylon carpet yarn, by securing "trade enhancing" tariff cuts from the *EEC for some other products.*

The European Commission has not ruled out this approach but is determined to keep concessions to a minimum.

It is adamant that none of the proposed cuts should apply to U.S. chemical products, which *enjoy significant* production cost advantages as a result of lower U.S. prices for oil and gas.

It is these advantages which the EEC claims allowed U.S. producers to make such inroads into the British market that the quotas had to be applied.

Serious discussion has not yet started on products which might enjoy advanced tariff reductions. These advantages, Commission officials suggest, would not in any case be very great since tariff reductions to be introduced next January on imports of chemical related products into the EEC are only of the order of 0.2 or 0.3 per cent.

There is some annoyance in Brussels at the U.S. handling of its case for compensation. It has claimed that the trade which will be lost because of the UK's quotas is worth $55m (£24m).

This figure is regarded in Brussels as inflated, while the quotas themselves are generous, it is said, and less severe than British producers had demanded.

Unless Washington softens its negotiating line the Commission may well stand aside and allow the U.S. to obtain its compensation through some import curbs. *The Carter Administration has* already published a list of 30 products which could be penalised.

But this was for the purposes of public discussion and does not necessarily mean the entire list of EEC products would be affected. Mr. John Ray, a U.S. *assistant special* trade representative, is due in Brussels next week for talks with senior Commission officials.

Meriden hopes hinge on Tokyo

By John Elliott, Industrial Editor

THE MERIDEN motor-cycle cooperative's hope of being saved by a link up with Japanese companies hinges on meetings in Tokyo in three weeks' time.

A three-way rescue plan involving Marubeni, a Japanese trading house, Suzuki, which manufactures motor-cycles, and *Meriden has been drawn up.*

But the go-ahead will depend on Sir Keith Joseph, Industry Secretary, waiving a £4m loan and £1.2m interest charges owed to the Government by the co-op.

This was announced yesterday by Mr. Geoffrey Robinson, the Labour MP for Coventry NW, who is the unpaid chief executive of the co-op.

Marubeni

He has ben discussing a possible deal with Marubeni for some months, despite considerable reservations from some *Suzuki* executives.

Yesterday he gained the support of representatives of some 300 creditors for a possible deal, and later he said one condition would be that there should be no redundancies among the co-op's 500-streng workforce.

The co-op makes Triumph motor-cycles, and it is understood the possible deal would initially involve extending the range of bikes by introducing sizes smaller than the present 750cc model.

Up to 60 per cent of the bikes *might* be made up of Suzuki parts imported from Japan.

Mr. Robinson was adamant yesterday that he did not want the co-op to produce all-Suzuki bikes using the Triumph name.

Islamic move for Afghan talks

BY DAVID HOUSEGO IN ISLAMABAD

ISLAMIC foreign ministers yesterday directed a ministerial delegation to open contacts with the Soviet-backed regime of Mr. *Babrak £armel in Afghanistan as* part of a new initiative to try to find a political solution to the Afghan crisis.

The decision on the last full day of the Islamic conference in Islamabad was clearl a climbdown from the conference's earlier strong denounciations of the Soviet intervention in Afghanistan last Christmas. It marked the first time Iran and Pakistan had indicated any readiness to talk to the KKabul Government.

Iran and Pakistan, both neighbours of Afghanistan, would be on the small *ministerial committee which* the conference set up for the contacts.

But Mr. Sadegh Qotbzadeh, Iranian Foreign Minister, made *clear that such contacts would* not imply de facto recognition of the Kabul Government. The contacts would be on the basis that both the Karbul regime and the insurgent movements opposed to it were parties to the conflict in Afghanistan and thus that both should be *consulted* "as parties concerned."

The decision was a setback for the United States, which has supported a stance of uncompromising opposition to the Kabul regime. But the states of the region, believing that U.S. power is perceptibly weakening in South West Asia, say they *must come to terms with Soviet* strength. The success of the initiative will depend on the reaction of Moscow.

Mr. Qotbzadeh conceded last night that the Soviet Union was opposed to negotiations with such a committee unless it first recognised the existing Afghan Government. He said the Soviets refused to discuss a political solution in Afghanistan "hiding behind the so-called Afghan Government."

In even-handed condemnation of both superpowers, the conference also passed resolutions sharply criticising U.S. policies in the Middle East and U.S. aggression against Iran. The 40 countries participating called on Iran to find a solution to the *hostage problem*

Ministers adamant

Continued from Page 1

ment must listen and act "to reduce unemployment and *inflation and stop the disintegration* of British industry."

His union's policy was quite clear. "There will be no agreement with hte Government on wages restraint."

He revived the threat of TUC withdrawal from bodies involving Government, employers and unions. His union would urge the TUC to pull out of any bodies not proving useful to the unions.

Other leading moderates like Mr. Tom Jackson of the Post Office Workers and Mr. Bill Sirs of the Steelworkers joined Left-wingers in saying there was no point in talking to the present *administration.*

Mr. Jackson is looking for a 22 per cent pay rise for some of his members. Mr. Sirs said yesterday the steelworkers would be claiming at least the rise in the cost of living for their settlement next January.

The general council told the Government not to be misled by "unrepresentative statements" from individual trade union leaders. Mr. Murray admitted that was a reference to Mr. Frank Chapple of the Electricians, who this week lambasted the TUC's Day of Action and called for co-operation *with the Government.*

John Elliott writes: CBI leaders stressed last night that they had no intention at present of linking with the TUC for a joint approach to the Government on matters such as interest rates and import controls.

Sir Ray Pennock, who yesterday became president of the CBI for a two-year term, said: "We are not looking for such a joint approach."

Sir John Greenborough, the retiring president who now becomes deputy president, said: "We don't think it would be fruitful."

Weather

UK TODAY

DRY with sunny intervals: Showers in Eastern, Central and Southern England and South Wales.

Channel Islands, E., N.E. England, N.E. Scotland, Edinburgh, Dundee and Aberdeen areas, Borders

Cloudy. Showers. Max. 59F (15C).

N. Wales, N.W., Cent. N. England, N. Ireland, Lake District, S.W. Scotland, Argyll, Glasgow area

Sunny intervals. Dry. Max. 64F (18C).

Outlook: Dry with sunny intervals. Showers in the South East. Normal temperatures.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	18	64	Lisbon	S	21	70
Algiers	S	26	79	Locarno	F	16	61
Amsdm.	S	19	66	London	F	17	63
Athens	S	20	68	Luxmbg.	F	20	68
Bahrain	S	33	91	Madrid	F	23	73
Barclna.	F	20	68	Majorca	F	21	70
Beirut	F	22	72	Malaga	S	24	75
Belfast	S	14	57	Malta	F	19	66
Belgrd.	S	17	63	M'chstr.	S	16	61
Berlin	F	16	61	Melbne.	C	12	54
Biarritz	F	15	59	Milan	S	22	72
Bmghm.	C	16	61	Moscow	C	5	41
Blackpl.	S	19	66	Munich	S	18	64
Bordx.	C	12	54	Nairobi	S	23	74
Boulgn.	C	16	61	Naples	C	17	63
Bristol	C	13	55	Nwcstl.	C	11	52
Brussels	S	20	68	N. York	R	14	58
Budpst.	S	18	64	Nice	C	17	63
B. Aires	C	18	64	Nicosia	F	20	68
Cairo	C	32	89	Oporto	S	19	66
Cardiff	C	13	55	Oslo	F	11	52
Cape T.	S	17	63	Paris	C	16	61
Chicago	S	21	70	Perth	S	25	77
Cologne	S	22	72	Prague	F	18	64
Cpnhgn.	C	8	46	Reykjvk.	C	8	46
Corfu	F	18	64	Rhodes	S	19	66
Dublin	C	12	54	Rio J'o	C	28	82
Dbrvnk.	R	17	63	Rome	F	19	66
Ednbgh.	C	12	54	Salzbrg.	S	20	68
Faro	S	23	73	Singapr.	R	31	87
Florence	S	22	72	Stckhm.	C	6	43
Frankft.	F	21	70	Strasbg.	S	22	72
Geneva	F	17	63	Sydney	S	15	59
Gibrltr.	S	22	72	Tehran	S	27	80
Glasgow	F	15	59	Tel Aviv	C	22	72
G'rnsey	R	10	50	Tenerife	S	21	70
Helsinki	C	4	39	Tokyo	C	24	75
H. Kong	S	25	77	Toronto	S	19	67
Innsbrk.	F	19	66	Tunis	F	21	70
Invrnss.	C	11	52	Valencia	S	23	73
I.o.Man	S	14	57	Venice	S	20	68
Istanbul	R	17	63	Vienna	S	18	64
Jersey	R	11	52	Warsaw	R	11	52
Jo'burg	C	17	63	Zurich	S	19	66
L. Plms.	S	24	75				

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

Quebec votes to stay in Canada

BY W. L. LUETKENS IN MONTREAL

QUEBEC has voted firmly to stay in the Canadian confederation.

The referendum, held in the French-speaking province on Tuesday, rejected the Quebec Government's wish for a mandate to negotiate sovereignty in an economic union with Canada.

With almost all the votes counted 2,171,913 (59.5 per cent) were against the mandate and 1,478,200 in favour.

A slim majority of the French speakers must have voted "no." English speakers, a province minority of 18 per cent, did so overwhelmingly.

The working class east end of Montreal and Quebec City, seat of the Quebec Government also voted "no". Even the constituency of Mr Rene Levesque, the Parti Quebecois Premier, only just managed a "yes" vote.

Mr Levesque, who has struggled since 1967 for his idea of "sovereignty association," said as the results came in that the people of Quebec would have to go on living together.

Supporters gathered to hear him in a Montreal sports arena, having cheered him for almost 10 minutes in spite of the defeat, gave another roar when he said: "Here's to the next time." That could mean another referendum in due course, although he may have been thinking of the next provincial election.

Federalists — particularly Mr Claude Ryan, the Quebec Liberal leader—immediately began pressing for a dissolution of the Quebec National Assembly but Mr Levesque has until November next year to call an election. He is sure to choose his time

Two these emerged as the "no" victory became certain. First, Canadians must get over the bitterness of the referendum campaign, second, they must get on with the job of improving their constitution to satisfy the aspirations of the French minority.

Mr Pierre Trudeau, Prime Minister, has been speaking of a constitutional conference in July, but he may have been optimistic. Mr Levesque, without *whom that conference could* not get far, is unlikely to be in a hurry.

The official winner of the campaign is Mr. Ryan, head of the umbrella organisation formed for the "no" forces.

After a slow start his supporters' door-to-door canvassing seems to have turned the tide against sovereignty association.

Mr. Ryan appealed to federal sentiment, to the non-English, and to the conservative political instincts of many of the electorate.

Much of the credit for the result must go to Mr. Trudeau, who appears to have persuaded many waverers that voting "no" was more likely to open the road to constitutional reform than voting "yes."

Although reform will be diffi*cult to achieve, Mr. Trudea is* probably at the pinnacle of his career, having twice snatched victory from the jaws of threatened defeat—in the referendum, and in the general elections in February.

Referendum aftermath, Page 22

THE LEX COLUMN

The two faces of sterling

Sterling rose by 4 cents against the dollar yesterday, and its trade-weighted index improved to 74.1, the highest closing level since August, 1975. Two factors have given sterling its strong appeal. Interest rates in London remain steady and high while dollar rates are falling steeply—the three-month eurodollar rate fell by around ¾ point to 10½ per cent yesterday. And the further round of oil price increases is another reminder to foreigners of the North Sea oil wealth that backs the pound.

All year the UK Government's domestic monetary strategy has faced the potential threat that foreign pressure on the level of the currency might force a cut in interest rates before the trend of the monetary aggregates fully justified it. So far this danger has never quite materialised, but the latest spurt in sterling is the strongest sign yet that the Government will find a go-it-alone policy of high interest rates very difficult to sustain now that the Americans have *let* their rates come off.

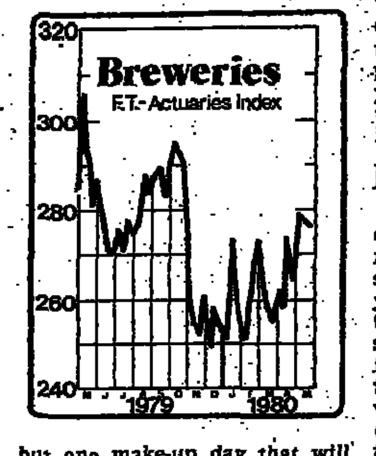
The UK now presents two strikingly different faces to investors. To domestic eyes, inflation is dangerously high and long-term interest rates—about 14 per cent on long-dated gilt-edged—are uncomfortably low in comparison. To foreigners, however, the domestic inflation rate is irrelevant and the evident s tability of sterling is the key point. Relatively high interest rates now make the UK an attractive place to amass bank deposits and dabble in the bond market.

As a result, British institutions have tended to lighten their holdings of gilt-edged over the last few days, and these have been snapped up by foreigners. Some leading gilt-edged brokers report that the proportion of foreign dealing in the market has never been *so high.*

This paradox is unlikely to be resolved in the near future. British investors will continue to be preoccupied by domestic factors which may continue to be worrying. The monetary statistics, for instance, are going to be seriously distorted by shifts in the banking system connected with the ending of the corset scheme. Reintermediation is going to boost sterling M3 by several percentage points but the precise extent and timing cannot be accurately predicted.

What is certain is that banks are now getting ready to become aggressive lenders again. Yesterday was the last but one make-up day that will count for corset penalties, and there were signs from the sudden surge in Eurosterling overnight rates that some banks may have been trying to cover up a recent rise in their balance sheets. By the June make-up day, all constraints will effectively be off.

Index fell 2.0 to 431.6



Whitbread

The first major brewery results of the season, those of Whitbread, show a respectable improvement, although they may prove to be untypical of the sector. Pre-tax profits have risen by 13.6 per cent to £61.8m, although the proposed employee share ownership scheme takes the effective figure down to just below £60m. The share price fell 1p yesterday to 151p.

Adjusting for the 53-week period of the previous year, turnover rose about 14 per cent, representing an increase in volume of about 3½ per cent and a further rise in the company's market share, boosted by a strong performance in lager. After the first half standstill in margins, blamed on the Price Commission, there was an improvement in the second six months, when comparable pre-tax profits were 18¼ per cent higher.

In spite of the large numbers of holders of the 11 per cent convertible who decided to convert—reducing interest charges by about £500,000—there was still a 23 per cent rise in interest payable. This implies that the big capital investment programme has taken a heavy toll of the £38m bank deposits in the 1979 balance sheet. However, a cash flow benefit of about £35m should emerge from the disposal of the Chiswell Street development this year, providing relief on interest payments of the order of £5m in a full 12 months.

The shares have outperformed the market by about 25 per cent over the last year and remain near their all-time high with a p/e of *11.8, fully-taxed,* and yield of 6 per cent. The outturn in the current year may be in the region of £70m.

BOC International

BOC International's second quarter pre-tax profit showed a modest improvement over the same period of the previous year, but for the first half of the year to September there is still a small decline, to £31.1m from £32.3m. As always, the figures are reduced by the provision of replacement cost depreciation — without this *there would have been* an increase to £48.1m from £46.3m.

Some parts of the business—notably South Africa and the Pacific Basin—are holding up very well, but in Europe and the U.S. the picture is far duller. In the present quarter, Airco is seeing a distinct fall in demand, and the UK engineering businesses are having a difficult time, although a price rise in UK gases has helped restore margins that had been heavily eroded by cost increases.

In this sort of climate, a lowering of the interest charge seems the most promising source of higher earnings. But total debt is creeping up again, as a result of the U.S. capital spending programme: despite the receipt of £17m for the Deloro Stellite disposal, net borrowings rose by £6m in the quarter to March. Against this, however, BOC's worries about the interest rate level at which it might be forced to roll over the dollar debt taken on to finance the Airco acquisition are being reduced almost daily. The first $100m rollover has just been done, on a very short-term basis.

Overall pre-tax profits may turn out slightly below last year's £72.7m, but still the p/e on reported earnings at 86p will be below six times, and the prospective yield could be just over 10 per cent. BOC's well-covered dividend and the potential for volume growth in gases is enough to make up for the unexciting immediate prospects

Lonrho/Fraser

Lonrho's thoughts on the Lex Column's "poorly researched criticisms" of May 17 may be found on Page 24.

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